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Workers carrying a banner — "Warning Strike" — at a protest Friday at a Mercedes plant in Bremen.

Germans Strike, and EU Watches

By John Schmid
International Herald Tribune

FRANKFURT — Industrial workers across Germany walked off the job Friday to press demands for a steep wage increase, escalating a labor conflict that threatens economic repercussions across Europe.

The militant IG Metall trade union estimated that 220,000 members at 652 plants joined a nationwide wave of "warning strikes" — stopping work for a day or less — to back up their calls for a 6.5 percent pay rise. The number of walkouts was disputed by employers.

The union, which sets wages for 3.4 million workers, reserved its biggest protests for the nation's thriving auto-makers, DaimlerChrysler AG, BMW AG, Audi AG, Porsche AG, the truck-maker MAN AG and the German-based factories of General Motors Corp. and Ford Motor Co. all suffered disruptions along with scores of machine-tool plants, and electrical engineering plants.

"These warning strikes will lead to severe damage for our companies," said Werner Stumpf, president of the Gesamtmetall industry trade federation, which bargains with the union on behalf of employers.

Employers cast doubt on the union's numbers, with a DaimlerChrysler spokesman saying IG Metall "definitely exaggerated" the extent of the walkout. While the union said 20,000 workers took part at the automaker's flagship plant near Stuttgart, the company spokesman said only 6,000 stopped working.

Stakes are high across Europe if the union gets its way, economists say, adding that in Europe's interconnected

economy, German metalworkers could embolden unions in a parallel round of metalworker talks in Italy.

Under German collective bargaining conventions, IG Metall sets benchmarks for wages in other industries.

If the union, which is the largest in Europe, wins a generous pay raise, it could push wages higher for other unions, which in could turn put pressure on

the European Central Bank to delay or withhold further credit easings at a time of a slowing economy, economists warn.

"If the unions get their way, it will not result in higher inflation but instead in higher unemployment," said Thomas Mayer, senior economist at Goldman

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6 Nations Issue Ultimatum To Serbia and Kosovo Rebels

For Europe, Chance to Recoup

Settle Conflict or Face Attacks

By Craig R. Whitney
New York Times Service

PARIS — By summoning the warring parties in Kosovo virtually at gunpoint to the peace table next week, the European allies seem to be hoping to duplicate the feat of the United States in imposing a peace settlement for Bosnia in Dayton, Ohio, more than three years ago.

"Dayton," as it is referred to, rankled European sensitivities.

The chief American negotiator, Richard Holbrooke, ran roughshod over the Europeans and relegated them to the sidelines in the Bosnia talks. He also ran over President Slobodan Milosevic of Serbia, by his own account, cajoling and bullying him into agreeing to peace in Bosnia with Muslim and Croatian leaders.

Mostly, the Europeans felt humiliation because here was a conflict in their backyard in the Balkans and a chance to show they could take care of such things themselves in the post-cold war era, and they blew it. The Europeans let themselves be drawn into a huge but hapless United Nations peacekeeping force with a weak mandate and blue-helmeted soldiers who could do little to stop massacres or other atrocities even when they saw them in places like Srebrenica and elsewhere.

When NATO threatened bombing to back them up, the peacekeepers became hostages to the Bosnian Serbs, the main aggressors in that conflict, who at one point tied United Nations peacekeepers to military targets to dissuade the alliance from air strikes.

It was only with American military and diplomatic help that the Europeans finally got the Bosnian conflict stopped at the end of 1995, and to enforce the peace, it took a heavily armed, American-commanded NATO peacekeeping force that is still in Bosnia today.

Now the European humiliation at Dayton, if the plan works, will be redeemed by European success at Rambouillet, an

By Thomas W. Lippman
Washington Post Service

LONDON — The United States and five major European countries declared Friday that the combatants in the strife in the Serbian province of had three weeks, at most, to accept a negotiated settlement — an ultimatum backed by the threat of NATO military action to enforce it.

In Washington, President Bill Clinton stressed that the United States and its allies were united on this issue.

"The international community," he said, "has sent a clear message to the authorities in Belgrade: The time for denial and delay is past. NATO is united and ready to act if you don't."

"The killing must stop," said the British foreign secretary Robin Cook, who will travel to Belgrade on Saturday to deliver the message to President Slobodan Milosevic, and then on to Pristina, the capital of Kosovo, to repeat the summons to leaders of the separatist ethnic Albanian majority there.

Mr. Cook, Secretary of State Madeleine Albright of the United States and the foreign ministers of Germany, France, Russia and Italy met here Friday morning — they represent the so-called Contact Group of nations seeking an end to the violence in Kosovo — to approve a U.S.-sponsored plan to compel the Serbian government and the Kosovo rebels to accept a settlement that would give the province autonomy but would keep it nominally a part of Serbia.

[Serbian officials] Belgrade and leaders of the ethnic Albanian majority in Kosovo welcomed the idea of talks, Reuters reported from Belgrade. But Belgrade insisted there could be no cease-fire and no prospect of eventual independence, while the ethnic Albanians said that secession must remain a possibility and that the fighting must stop before talks began.

"There's no point in going to talks with guns pointed at our foreheads," said Pleurat Sejdiu, representative of the Kosovo Liberation Army in London.

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AGENDA

The Dollar			
	Friday 4 P.M.	previous close	
Euro	1.1365	1.1416	
Pound	1.846	1.8499	
Yen	116.42	116.35	
DM	1.7218	1.713	
FF	5.7748	5.7482	
Dollars per pound and per euro			
	Friday close	previous close	
£/\$	77.50	9.358.83	+0.84%
\$/\$	14.20	1.279.57	+1.12%
Nasdaq			
	28.33	2,505.67	+1.14%

U.S. Economy Soars

The U.S. economy grew at a breakneck 5.6 percent annual rate during the final three months of 1998, ending a year of undiminished prosperity in an economically troubled world. "The fourth quarter was a blowout quarter in a blowout year," one economist said. Page 9.

Hong Kong Ruling

Hong Kong's highest court issued a landmark decision Friday in a test of the right of abode, allowing four mainland-born children to remain in the territory. The ruling potentially opens the door to thousands of new Chinese immigrants. Page 4.

Brazil's Real Dives

The Brazilian currency tumbled Friday to its lowest level since the Jan. 13 devaluation after the World Bank refused more aid to two states and the government denied it was planning to close banks. Page 10.

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based in London, said Mr. Ricciardone's stance seemed to reflect a bias by U.S. policy makers for continued covert attempts to instigate a coup inside the Iraqi military.

But Mr. Chalabi reserved his harshest criticism for General Anthony Zinni of the Marine Corps, the commander of U.S. forces in the Gulf, who, he said, "may be a good general, but he's not an expert on the Iraqi opposition and he's not an expert on Iraqi society."

"The fact that he said there are 91 opposition groups shows his lack of knowledge about Iraq," said Mr. Chalabi, who was represented at Friday's meeting with Mr. Ricciardone by a former general in the Iraqi Army, Tawfik II Yassiri.

"There are a lot of opposition groups who have fought Saddam — as we did in 1995 — and lived to tell about it," Mr. Chalabi said. "And we thank Congress for its support."

General Zinni expressed deep reservations about the Iraq Liberation Act before the Armed Services Committee and said arming the Iraqi opposition

Global Financial Reform: A Clash of Perceptions

U.S. and G-7 Allies Disagree About Regulation Measures

By Jonathan Gage
and Alan Friedman
Washington Post Service

DAVOS, Switzerland — The United States and its G-7 partners disagreed sharply Friday about overhauling international financial regulations, clouding prospects for any quick agreement on policing the capital flows at the heart of global financial crisis.

Speaking at a conference of business leaders here, officials from Japan, Germany, Britain and France appeared eager to press ahead quickly with measures that would toughen regulation, monitoring and oversight of international flows of money through vehicles

Gore calls for deep cuts in farm tariffs. Page 9.

such as hedge funds. But American officials, while stressing the importance of more openness and surveillance, were wary of creating new regulatory structures.

Critics have suggested that the economic turmoil that spread over the last year and a half from Asia through Russia to Brazil and other emerging markets, setting off alarms in the world's financial capitals, was exacerbated by lax oversight and insufficient safeguards.

Gordon Brown, the British chancellor of the exchequer, said leaders should "quickly set up" what he called "a new global standing committee of international and national regulators to conduct the regular and systematic surveillance of our world financial system." He said this "early warning system on financial issues" should be put "in place before the summer."

By contrast, U.S. officials countered with proposals for a less interventionist approach that relied on sound government policies and greater prudence on the part of investors and lenders.

"I am skeptical about singling out one class of market participants" for regulation, Lawrence Summers, the U.S. deputy secretary of Treasury, said of proposals to rein in hedge funds. Rather, he said there should be "better risk management by the major investors."

Eisuke Sakakibara, Japan's deputy minister of finance, said it was "important to proceed steadily on the issue of a new international financial architecture."

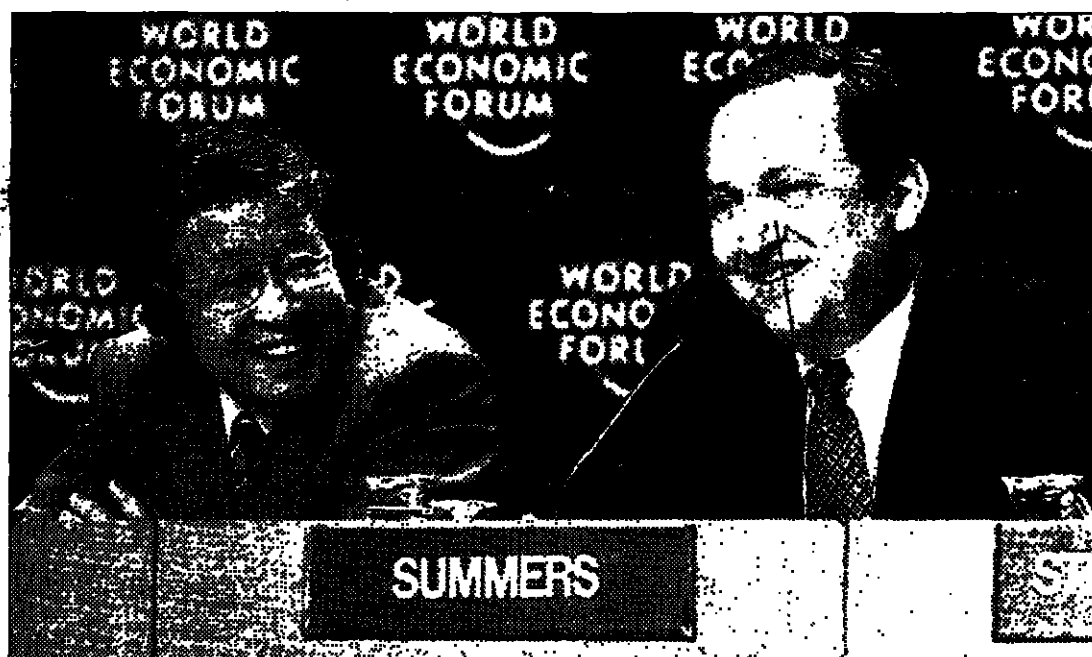
In particular, the influential Mr. Sakakibara called for more monitoring of private capital flows, discussion of exchange-rate regimes among major world currencies and also the need to designate a leader of last resort.

Finance Minister Dominique Strauss-Kahn of France added his voice, calling for the Group of Seven finance ministers' meeting on Feb. 20 "to make the decisions we really need."

Mr. Strauss-Kahn, while stressing the need to keep markets open, nonetheless called for "a commitment by G-7 members to strengthen their cooperation by even more frequent meetings, and systematic coordination."

In response, Mr. Summers said, "Cooperation and coordination between the G-7 is obviously desirable,"

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Eisuke Sakakibara, left, and Lawrence Summers speaking in Davos, Switzerland, on Friday.

Ford-Volvo Link Squeezes Others

To Compete, Europe's Carmakers Will Have to Buy or Be Bought

By Edmund L. Andrews
and John Tagliabue
New York Times Service

GOTEBORG, Sweden — Ford Motor Co.'s victorious bid for AB Volvo's car business increases the pressure on other European automobile companies to either buy or be bought, industry executives and analysts say.

Those with the most precarious futures are middle-sized companies like Renault SA and PSA Peugeot Citroen of France and, as it clearly recognized by trying to buy Volvo itself, Fiat SpA of Italy.

Each of those companies lacks the size to compete with the giants like DaimlerChrysler AG or General Motors Corp., and they remain bogged down in brutally competitive markets for mid-sized and small cars.

Thursday's agreement was a particularly big defeat for Fiat, which had openly courted Volvo in recent weeks and was reported to have offered about \$7 billion for the entire company. Besides the car business, Fiat executives were also entranced by the idea of combining the two companies' truck and construction-equipment businesses.

"Needless to say, the bid failed," said a discouraged Fiat executive. "Volvo decided to sell exclusively its car-making activity and to hold on to the other businesses, which were, I might add, of greater interest to us."

But analysts said it also marked a setback for Renault and Peugeot, which remain heavily dependent on the French market and on lower-priced and less profitable mass-market vehicles.

"Ford has taken a very appealing brand out of the market, and that is bad news for almost everybody else," said Chiara Tirloni, an automobile analyst at Paribas Capital Markets in London.

Ever since Daimler-Benz announced its \$36 billion acquisition of Chrysler Corp. last year, European car manufacturers have been engaged in a frenzy of matchmaking.

"In the European and in the global automobile market, it's not just fusion but also confusion that you're seeing," said Bernd Gottschalk, president of the German Automobile Industry Association.

Though Volvo is a small player, producing fewer than 400,000 cars a year, it has important strengths, the most important being its strong appeal to affluent consumers who are willing to pay comparatively higher prices for family cars. In addition, Volvo has a well-established distribution network in the United States.

Europe's automobile industry is divided into several different camps that face somewhat different pressures. DaimlerChrysler is essentially in a league of its own, a goliath with a huge mass-market presence in North America and an equally strong base in high-priced

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For All the Talk, Clinton Trial Is Overtly Partisan

By R. W. Apple Jr.
New York Times Service

WASHINGTON — Not us, senators of both parties have been saying since impeachment proceedings against President Bill Clinton began in December: we will never descend to the kind of lockstep partisanship you saw in the House of Representatives.

But Thursday they did, despite all their protestations about the dignity of the Senate and the importance of careful, dispassionate deliberation.

On the two decisive votes, no Republican, moderate or conservative, and no Democrat, liberal or centrist — no Easterner and no Westerner, no Northerner and no Southerner — broke with party colleagues Thursday evening.

Tom Daschle, the minority leader, spoke of the courtesy with which his ideas had been received by the majority. Senator Slade Gorton, Republican of Washington, emphasized a "lack of enmity."

But for all the courtly manners and all the boney phrases, the partisan gulf in the Senate proved every bit as unbridgeable as the House's.

It is not that the Republican majority is fighting to oust the president from office, and the Democratic minority is fighting to keep him there. Any infinitesimal doubt about whether the Senate could muster the 67 votes needed to convict Mr. Clinton evaporated Wednesday, when only 56 votes were cast against a motion to dismiss the charges, a significant test of

strength. Few if any senators of either party believe that anything the House impeachment managers can do will change that reality, although some managers seem to think otherwise.

But the dynamic of the trial has changed. It is no longer really about guilt and innocence; it is about how the parties will look when it is over. It is about the future, not about the past. It is about political power.

In a sense, the collapse of bipar-

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Newsstand Prices	
Bahrain	1,000 BD Maldives
Cyprus	€ 1.00 Nigeria
Denmark	17 DKR Oman
Finland	12.00 FM Qatar
Gibraltar	£ 0.85 Rep. Island
Great Britain	£ 1.00 Saudi Arabia
Egypt	SE 5.50 S. Africa
Jordan	1,250 JD U.A.E.
Kenya	K. Sh. 180 U.S. M.
Kuwait	700 KWD Zimbabwe



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Proposal for Outcasts in India's High Court Provokes Outcry

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — The first member of the Indian outcaste group — formerly known as untouchables — to serve as India's president has provoked a divisive debate by urging that more outcasts be elevated to the Supreme Court.

The controversy over President K. R. Narayanan's recommendation, which his critics and supporters alike misinterpreted as a call for strict quotas in new appointments, demonstrated how deeply India remains divided by caste — the traditional ranking of Hindus at birth by social status, religious purity and occupation.

Public debate has focused on whether caste should be considered in Supreme Court appointments, and not on Mr. Narayanan's less controversial recom-

mendation that the number of women justices should be increased.

Although India's constitution outlaws discrimination based on caste, the traditional ranking continues in large measure to order the nation's stratified society — more so than gender or religion, which have caused social disparities affecting women and minority Muslims in this majority Hindu country.

Most outcasts — including the untouchables, now known as dalits, and members of indigenous tribes — still work as low-paid laborers, while an upper-caste minority has retained dominance in government, politics, academia, the media and the courts.

With 25 members, India's highest court is nearly three times larger than the U.S. Supreme Court. Turnover is also more frequent: the five senior justices nominate new members to serve

until they reach the mandatory retirement age of 65.

The president, whose duties are largely ceremonial, makes appointments to the court but has no power to change the list of nominees.

In the 51 years since India became independent, a handful of dalits and two women have served as justices. No court members have come from India's indigenous tribes, which are thought to predate the arrival of Aryans to the subcontinent 3,000 years ago.

Currently, there is one woman but no dalits on the high court.

India's constitution authorizes quotas for outcasts and members of lower castes in Parliament, government jobs and college admissions but not the judiciary, except among low-level magistrates.

Caste-based quotas in the civil service and college placement, although

enjoying broad political support, have produced an upper-caste backlash since being expanded to 49 percent in the early 1990s.

The controversy over Supreme Court appointments started last week when India Today, a leading newsmagazine, published a cover article that suggested President Narayanan had delayed judicial appointments to force the nomination of more outcasts.

The article quoted a confidential note in which Mr. Narayanan, a former diplomat and bureaucrat who was elected president in 1997, urged last November that women and the quarter of India's 950 million people who are outcasts be "given due consideration" in future appointments.

"Eligible persons from these categories are available, and their underrepresentation or nonrepresentation would not be justifiable," he added.

In reactions that echo American debates about affirmative action, Chief Justice A. S. Anand told the magazine that "merit alone is the criterion for all appointments to the Supreme Court," and a senior lawyer denounced quotas as "a vexed subject."

Similar denunciations came from other members of the bar who interpreted Mr. Narayanan's note as favoring quotas. But praise flowed from outcast activists who shared the same interpretation.

Critics and supporters of judicial quotas, however, misunderstood Mr. Narayanan's recommendation. T. P. Senthuram, the president's spokesman, said Mr. Narayanan stated in a speech in December that he did not favor quotas for the judiciary, only deliberate efforts to diversify the bench's composition "consistent with the requirements of merit."

BRIEFLY

Thai Army Halts Ousters to Burma

BANGKOK — The Thai Army suspended the forcible repatriation of some 800 newly arrived refugees from Burma on Friday after protests from relief officials.

Aid workers said that four army trucks arrived Friday morning at the Huay Kok refugee camp, 37 kilometers (230 miles) northwest of Bangkok, to take the refugees back to Burma.

Relief officials persuaded commanders to suspend returning the refugees to an area where fighting is under way between government soldiers and ethnic rebels, the aid workers said.

An army officer said that the repatriation plan had not been canceled and that the repatriation would eventually proceed. The army contends that the 800 people, mostly ethnic Karens, are not genuine refugees but friends and relatives of refugees already in the camp. (AP)

Terrorism Suspects Killed in Pakistan

LAHORE, Pakistan — The police here have killed four members of an opposition party who were arrested this week on charges of terrorism, party officials said Friday.

The Muttahida Qami Movement said its members were "executed" by the police late Thursday in Lahore. But the police denied the accusation, saying that the members had been killed by their own party as it tried to free them.

The four members were wanted in more than 100 cases of terrorism, including killings in Karachi, the police said. (AP)

A New Round Of India-U.S. Talks

NEW DELHI — The United States and India ended the first day of a new round of nuclear nonproliferation talks on Friday that began after India's nuclear tests last May.

The U.S. deputy secretary of state, Strobe Talbot, and Foreign Minister Jaswant Singh of India said that the talks had been fruitful, but offered no details ahead of another session Saturday. (Reuters)

Indians Protest

NEW DELHI — Christian and Muslim clergymen led thousands of protesters in a march here Friday, accusing India's government, which is led by Hindu nationalists, of not protecting them and demanding that it step down.

Led by the Roman Catholic archbishop of Delhi and a leader from the country's biggest mosque, the rally was prompted by the killing last weekend of a Baptist missionary from Australia and his two young sons, burned alive in eastern India by a mob. (AP)

Rembrandt Is Taken From Danish Gallery

COPENHAGEN — Two men overpowered an elderly security guard and made off with two paintings — one a Rembrandt — from a private gallery in Nivaa, about 20 kilometers north of Copenhagen, the Danish police reported Friday.

The men fled in a car with Swedish registration plates, said John Stuer Lauridsen, deputy superintendent of police.

An official at the National Gallery in Copenhagen said the Rembrandt, "Portrait of a Lady," signed and dated 1632, was the only certified genuine work by the Dutch master in Denmark. Its value is estimated at \$15 million.

The other painting was a work by Bellini, the Italian renaissance master. Its estimated value was not immediately known.

Monkey on Their Backs

Failures Signal Problems in Cloning Humans

By Rick Weiss
Washington Post Service

WASHINGTON — Despite having tried 135 times, researchers in Oregon have "utterly failed" to clone a single monkey, according to the scientific team's leader.

The results indicate that, despite recent successful clonings of other mammals, it may not prove as easy to clone a human being as some have suggested.

"It's clearly not a trivial undertaking" to clone a monkey, said Don Wolf, who is leading the effort at the Oregon Regional Primate Research Center in Beaverton.

Mr. Wolf spoke to an advisory council of the National Institute of Research Resources in Bethesda, Maryland, which has partly funded his work to develop large colonies of genetically

identical monkeys for use in research. Scientists said the failures suggested that anyone who was trying to clone a person should be prepared to work at it a long time and have a large supply of volunteers willing to be experimental subjects.

"Clearly it's not easy in monkeys, so it's not going to be easy for humans either," said James Thomson, a University of Wisconsin embryologist who provided some of the monkey cells that Mr. Wolf used in his experiments.

Still, scientists said they were reluctant to extrapolate from the monkey work any firm conclusion about the feasibility of eventually cloning human beings.

Monkeys are more closely related to humans than are the sheep, mice and cattle that have been cloned so far, and so they are arguably more representative of the practicality of cloning humans, the scientists said.

But the science and art of reproductive manipulation — including embryo culture and embryo transfer to the female reproductive tract, which are key steps in cloning — are far more advanced for those species and for people than they are for monkeys.

Hundreds of fertility clinics in the United States routinely grow human embryos in culture dishes for in vitro fertilization (IVF), for example, while only two U.S. research centers perform monkey IVF — and even those are still figuring out how to get reliable results. That means that all other things being biologically equal, it may prove somewhat easier in the end to clone a person than a monkey.

Scientists said Mr. Wolf's ability to grow young monkey embryos, but his failure to get pregnancies, suggests that the problem is not just culture technique but that the cloning process led to the creation of genetically abnormal embryos.

U.S.-Russia Team May Have Created A New Element

By Malcolm W. Browne
New York Times Service

NEW YORK — Collaborating Russian and American nuclear physicists say they believe they have created a new ultra-heavy element that may open the door to creation of a host of new elements once considered impossible.

If confirmed, the achievement would mark the realization of efforts over half a century to reach a major goal of nuclear physics: to create an element far heavier than any in nature that would survive for long enough to permit scientific study.

Russian physicists announced the news over the last few weeks through e-mail to international physics laboratories, and the journal Science published a brief account Jan. 22.

The work to create the element was conducted at the Joint Institute for Nuclear Research at Dubna, Russia.

The American participants in the experiment, from Lawrence Livermore National Laboratory in California, said in interviews Thursday that they would have preferred to withhold the news until they had completed some calculations but that the evidence for the creation of the element was very strong.

It appears, they said, that during a four-month bombardment from a big Russian cyclotron of a rare isotope, or form, of plutonium by atoms of a rare isotope of calcium, a single atom of the new element was created.

The nucleus of a calcium projectile atom fused with the nucleus of a target plutonium atom to form an element containing 114 protons and about 184 neutrons in its nucleus. The resulting atom of Element 114 survived for about 30 seconds, they said, a long period compared with the decay rates of most other heavy man-made elements.

France's Alienated Young

Jospin Calls 7,000 Extra Police to Quell Violence

By Charles Trueheart
Washington Post Service

PARIS — On Monday, the police confronted a band of angry youths in a housing complex on the outskirts of Paris and fatally shot a young man who, the police said, had cocked a sawed-off shotgun. The next night, 650 kilometers away on the grimy outskirts of Marseille, angry teenagers set fire to 52 cars.

Weednesday night, Prime Minister Lionel Jospin announced 7,000 police reinforcements would be sent to "sensitive" spots where youthful violence had been most prevalent. He also called for the removal of chronic youth offenders from their communities pending their trials; he said they would be placed under strict supervision in 50 new "immediate placement centers" capable of handling 900 delinquents by 2001.

Escalating violence in crowded schools and bleak housing complexes

heavily occupied by North African immigrants has become a preoccupied issue in France in recent months. Official counts of violent incidents climbed sharply to 26,000 last year, up from 3,000 in 1992. Last year, 8,000 cars were burned by rampaging youths, the government reported.

Jean-Jacques Penard, a juvenile court judge in Lyon, said that the number of minors appearing before his bench had doubled to 2,633 over the past three years. France's junior education minister, Segolene Royal, reported that 64 percent of junior high schools in France have a youth violence problem.

Center-right politicians, including President Jacques Chirac, have hammered Mr. Jospin's Socialist-led government for a response to the violence. For weeks, the debate on the issue has been played out around two cabinet ministers who favor different approaches to segregating and rehabili-

Cyprus Softens Spy Charges on Israelis

Reuters

LARNACA, Cyprus — Cypriot prosecutors agreed Friday, under a plea bargain, to drop espionage charges against two members of an elite Israeli anti-terrorism squad who had been operating under cover on the island.

The two Israelis — Igal Damary, 49, and Udi Hargov, 37 — pleaded guilty to possessing banned listening equipment and to approaching a restricted military zone, in return for the dropping of spying and conspiracy charges.

The case has been a source of tension between Israel and Cyprus since the men

were arrested on Nov. 7. Israel denied they had been spying on Cyprus.

Nicosia for its part changed the accusations against the men three times.

Despite their sophisticated equipment, the Israelis said that they were teachers when the police raided their seaside apartment in the village of Zygi.

Their cover was partly blown by the owner of a local taverna who was alleged to have had them not there to eat and thought that their behavior was suspicious.

Cyprus has been under considerable pressure, not only from Israel but also

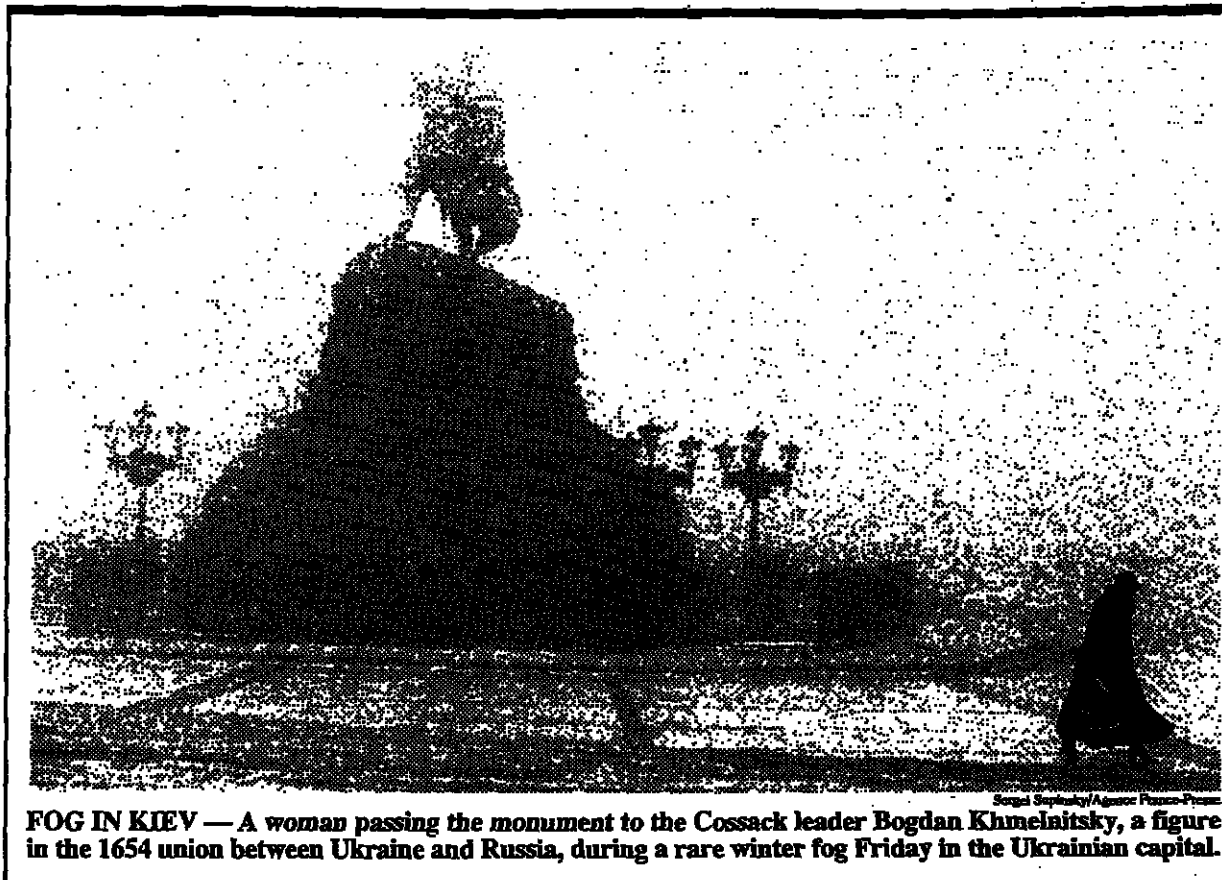
from members of the U.S. Senate, to let the two men go.

The three-member court set sentencing for Monday.

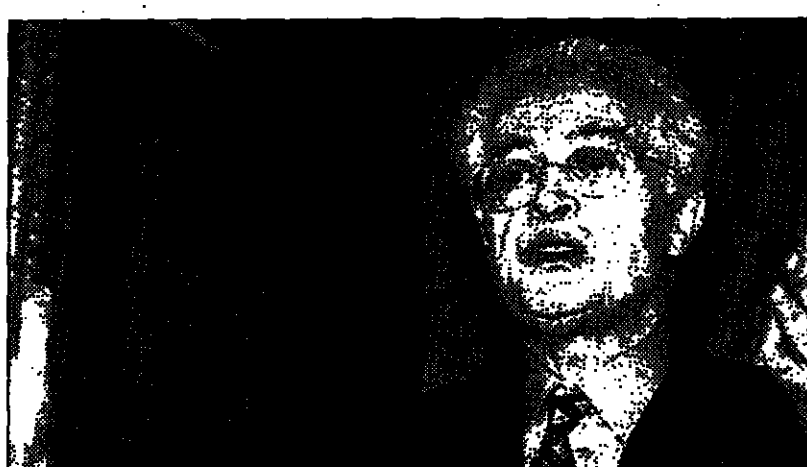
If the two men had been found guilty of espionage, they could have faced up to 10 years in prison.

The new charge of entering a restricted area carries a maximum sentence of six years.

Because of its strategic location in the Mediterranean, Cyprus is generally regarded as a listening post for intelligence activity and operatives from many countries.



FOG IN KIEV — A woman passing the monument to the Cossack leader Bogdan Khmelitsky, a figure in the 1654 union between Ukraine and Russia, during a rare winter fog Friday in the Ukrainian capital.



Prime Minister Lionel Jospin announcing a plan to fight youth violence.

tating youthful offenders. Justice Minister Elisabeth Guigou represents the compassionate school of thought, preferring to house the "recidivists" in what she called "emergency welcome homes," while Interior Minister Jean-Pierre Chevènement said that he wants to put the "little savages" in what he called "detention centers."

Mr. Jospin scolded Mr. Chevènement for the "little savages" remark and repudiated his suggestion that family assistance payments to delinquents' families be withheld.

Mr. Jospin was perceived in the French media as having responded forcefully to the influential interior minister's pressures without fully abandoning Mrs. Guigou's more moderate or progressive-sounding approaches.

TRAVEL UPDATE

Gibraltar Passage Cut

LA LINEA, Spain (AP) — Pedestrian and vehicle passage between the British colony of Gibraltar and Spain was cut Friday as Spanish fishermen blocked the border crossing to protest Gibraltar police action they said barred them from working in the area.

It was the latest incident in a dispute over fishing rights. Britain and Spain reached an agreement on the issue last

year, but Spain charged Wednesday that Gibraltar has ignored the accord.

KLM Royal Dutch Airlines said it would end domestic flights between Amsterdam and the Dutch cities of Groningen and Enschede on March 28. (AP)

Finnair plans to operate most of its international flights next week despite an air traffic controllers' strike scheduled to start Monday morning. (AFP)

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

	High	Low	High	Low	High	Low	High	Low
Algeria	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Amsterdam	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Antwerp	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Athens	74-84	55-65	74-84	55-65	74-84	55-65	74-84	55-65
Bahia	74-84	55-65	74-84	55-65	74-84	55-65	74-84	55-65
Bangkok	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Batavia	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Bombay	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Buenos Aires	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Calcutta	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Canton	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Cebu	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Colon	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Delhi	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Genoa	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Hankow	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Hong Kong	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Kobe	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
London	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Lyons	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Manila	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Medan	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Memphis	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Montevideo	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Moscow	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Odessa	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Peking	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Perth	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Philadelphia	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Puerto Rico	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Rangoon	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
San Francisco	55-65	40-50	55-65	40-50	55-65	40-50	55-65	40-50
Shanghai	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Singapore	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Sourabaya	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Tientsin	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75
Yokohama	84-94	65-75	84-94	65-75	84-94	65-75	84-94	65-75

Unusually Cold

Unusually Warm

Mainly Rainy

Unusually Snowy

North America

A slow-moving storm will spread rain from the lower Midwest through the Southeast, affecting Atlanta and St. Louis. Mixed with the warm and humid Sunday; showers are not likely today or Tuesday. Rain may reach Chicago, New York City and Washington, D.C. early next week.

Europe

Mainly dry in London and Paris with a gradual mellowing, but areas of thick fog may hamper travel. Turning milder across Europe with a period of snow in some places. The rest of Europe may be quite cold. Snow is likely in northern and southern areas, as well as parts of the Alps.

Asia

Rain will soak Shanghai and may try to spread toward Seoul and Tokyo early next week. It will stay mainly dry, however, in most of the area around Hong Kong, Taiwan, Manila and Japan will be hot and muggy with a couple of showers and thunderstorms.

Republicans Open Way For Lewinsky Appearance

Feb. 12 Target for Ending Senate Trial Could Slip

By Alison Mitchell
New York Times Service

WASHINGTON — Closing ranks along party lines, Senate Republicans have forced through a plan for the remainder of President Bill Clinton's impeachment trial that opens the door for Monica Lewinsky, or her videotaped image, to appear before the Senate.

The trial blueprint also keeps alive the possibility that the Senate could vote on a "finding of facts" stating that the president committed perjury and obstructed justice and then take a separate vote on whether to convict him and remove him from office. Democrats have called the idea unconstitutional.

The proposal was pushed through the Senate Thursday as part of a rapid and unexpected series of showdown partisan votes. The votes came after two days of behind-the-scenes negotiations, offers and counteroffers failed to produce a bipartisan plan on how to obtain depositions from Ms. Lewinsky, Vernon Jordan and Sidney Blumenthal and wrap up the trial by Feb. 12.

The depositions are to begin next week, and senators would be able to review the material, including the videotapes, privately. The Senate then would have to vote on whether to admit the depositions, either transcribed or on videotape, into the public record. That vote could allow for the videotapes to be played in public in the Senate chamber.

The Democrats offered their own proposals Thursday night. A Democratic move to end the trial and go to a vote on the two articles of impeachment, was rejected by a 55-to-43 vote, with a single Democrat, Senator Russell Feingold of Wisconsin, opposing the effort to halt the trial. And an alternative Democratic proposal which would have barred display in the Senate of videotaped testimony, was also defeated, 54 to 44.

The Republican plan was then approved, also by a vote of 54 to 44. Two senators were absent: Wayne Allard, Republican of Colorado, who flew home because his father was seriously ill, and Barbara Mikulski, Democrat of Maryland, who was scheduled for gallbladder surgery Friday.

Although the Republicans set Feb. 12 as a target date to complete the trial, the White

House complained bitterly. "This resolution is written in a way that leaves the doors wide open to extend this trial for an indefinite future and on any issues the majority chooses," said Joe Lockhart, the White House spokesman.

"The Republican majority had a chance today to test the case the House managers and independent counsel had made and vote up or down on the articles, and once again they chose to extend the process," he said.

Threatening that the White House would now delay the process, he said the president's lawyers would prepare for a vigorous defense, including the possibility of extensive discovery and defense witnesses. He said the White House would make no concessions to accelerate the trial and reach a final vote.

Senator Trent Lott of Mississippi, the majority leader, insisted, however, that there was now the "likelihood" that the trial could be finished on Feb. 12 unless "various and sundry motions intervene."

He added, "That's our goal, and we have set in motion a process that very likely would get us there."

Mr. Lott said that the questioning of the three witnesses approved by the Senate would begin Monday with Ms. Lewinsky, Mr. Blumenthal, a White House aide, and Mr. Jordan, a private adviser to Mr. Clinton, are to be questioned over the two following days.

The impeachment trial will reconvene on Thursday, when it can take up motions to receive the videotaped depositions in evidence or to call any witnesses to testify in person. While the Senate can still hear a motion for more witnesses or evidence to be heard before the Senate, Democrats won the concession that such a motion can only be made by Mr. Lott and his Democratic counterpart, Senator Tom Daschle, jointly.

That in effect gives the Democrats veto power over any push by House prosecutors for another round of witnesses. The White House is then granted up to 24 hours to decide whether it wants to propose new evidence or witnesses for a Senate vote.

The plan sets Feb. 12 at noon as the target for a final vote on the articles of impeachment but leaves open the possibility that the schedule could slip if more witnesses are called.



Senator Slade Gorton, a Republican, leaving the lectern as the Senate Democratic leader, Tom Daschle, waited to speak after the vote that opened way for Monica Lewinsky to appear before Senate, on videotape or in person.

Colombian City on 'Brink of Anarchy'

Looters Raid a Red Cross Relief Center and Pelt Troops With Debris

Compiled by Our Staff From Dispatches

ARMENIA, Colombia — Desperate earthquake survivors raided relief centers and stores in the battered Quindio Province capital, Armenia, on Friday, as security forces struggled to stop a third straight day of looting.

Thousands of people pulled down a chain-link fence and stormed the main Red Cross relief center in Armenia's north end, carrying off food, foam-rubber mattresses and tents. The supplies were to have been distributed to some of the tens of thousands of Colombians left homeless by the quake on Monday.

Others, armed with rocks, sticks and debris from toppled buildings, went on a rampage in the city center, raiding shops and a food distribution center, witnesses said.

A large detachment of police fired tear gas into the crowd at the Red Cross compound, managing to restore order after the looting. The makeshift compound was left

as a field of mud under the feet of the looters.

Colonel Dagoberto Garcia said that law and order was disintegrating as hundreds of rioters poured in by the minute from outlying neighborhoods. "We cannot control this," he said, adding, "We're on the brink of anarchy."

Rescue teams, meanwhile, tried to find survivors under rubble four days after the quake leveled nearly half the city.

"We can't give up hope of finding people alive because nature determines the capacity for survival and it's very capricious," said Colonel Hector Aguilar, the commander of a 120-member Mexican Army rescue brigade. However, no one had been rescued alive in Armenia since Wednesday.

The quake, which measured 6 on the open-ended Richter scale, killed at least 940 people and injured more than 3,690, the Red Cross said. Many more were missing, and about 200,000 were homeless.

An aftershock measuring 3.9 was registered at 1:06 A.M. Friday by the National Seismic Center. No new damage or injuries were reported.

About 2,700 police and troops were called into Armenia on Wednesday night to quell disturbances sparked by the slow pace of relief efforts. Some food was distributed Thursday and early Friday, but many people complained that the aid was insufficient.

"Within a week or two everyone here will be starving," said Javier Lopez, one of the looters in the city center, "so we must take what food we can now."

"What we're taking from the shops is to feed our families, but there are others who are robbing to sell," he said.

Looters surrounded about 250 police and soldiers in the city center, throwing bottles and debris as some of the forces crouched behind riot shields. The soldiers

answered with tear gas and by firing steady bursts of live ammunition into the air or over the heads of the looters.

There were reports of several injuries, including accounts by witnesses of one person who was wounded in the stomach by a gunshot. But security officials said they had given strict orders to avoid using excessive force.

(Reuters, AP)

Away From Politics

• A settlement was reached Friday in the wrongful death lawsuit against the former British air pilot Louise Woodward, barring her from profiting from her story. Ms. Woodward, convicted of manslaughter for the death of an 8-month-old baby in her care, was sued in federal court in Boston last year by the parents of Matthew Eappen. The settlement, reached before the case was to go to trial, ensures that Ms. Woodward "does not profit from the killing of their 8-

month-old baby," said the Eappens' lawyer, Frederic Ellis, who declined to say whether the family had received any money in the settlement. (AP)

• The decline in AIDS deaths may be making gay men complacent, federal health officials said. The number of gay men in San Francisco who reported having unprotected anal sex increased to 39.2 percent in 1997 from 30.4 percent in 1994. (AP)

POLITICAL NOTES

Moderate Republican Under Fire

SAN JOSE, California — Representative Tom Campbell knew his vote to impeach President Bill Clinton would make some people unhappy.

In December, when he was part of a small group of moderate Republicans who had not declared which way they would vote, the majority of the thousands of calls to his office were against impeachment.

Now, Mr. Campbell — who was handily re-elected last year in a traditionally Democratic district that includes parts of San Jose and the rest of Silicon Valley — is beginning to see how unhappy people are with him, and just how much it might hurt.

His situation may be a sign that there is trouble ahead for other Republican moderates, who are usually in districts with a high proportion of swing voters. Mr. Campbell said he had been inundated with protest calls and e-mail, and not just from Democrats. Some local Republicans are switching parties and organizing to defeat him in 2000.

"The opposition my vote has engendered is by far the most I've ever received on one vote," he said.

"The only vote that comes near it is when I voted for the Persian Gulf war." (NYT)

9-Year Surplus Put at \$2.6 Trillion

WASHINGTON — In a report that is certain to step up debate on the federal budget, the Congressional Budget Office on Friday echoed President Bill Clinton's predictions of huge budget surpluses for the next 10 years.

"The nonpartisan agency, Congress' official estimator of spending and deficits, projects that the net budget surplus will be \$107 billion this year and \$2.6 trillion over the period 2000-09. That is dramatically higher than the budget office's own projections of just a few months ago.

Mr. Clinton has proposed using 62 percent of the surplus for Social Security, and he appears to have succeeded in getting broad support for that idea even from Republicans. Now the fight centers on what to do with the balance of the surplus.

Congressional Republicans are eyeing the "on-budget" surplus, that is, the federal accounts independent of the massive Social Security trust funds, and have proposed using the money to cut taxes. The on-budget surplus will total \$787 billion over the next 10 years and will start accumulating in 2001.

Mr. Clinton is fighting hard to preserve the on-budget surplus to help shore up the Medicare trust fund, which pays for health care of the elderly and disabled, as well as to bolster defense spending and other domestic programs. (LAT)

Quote/Unquote

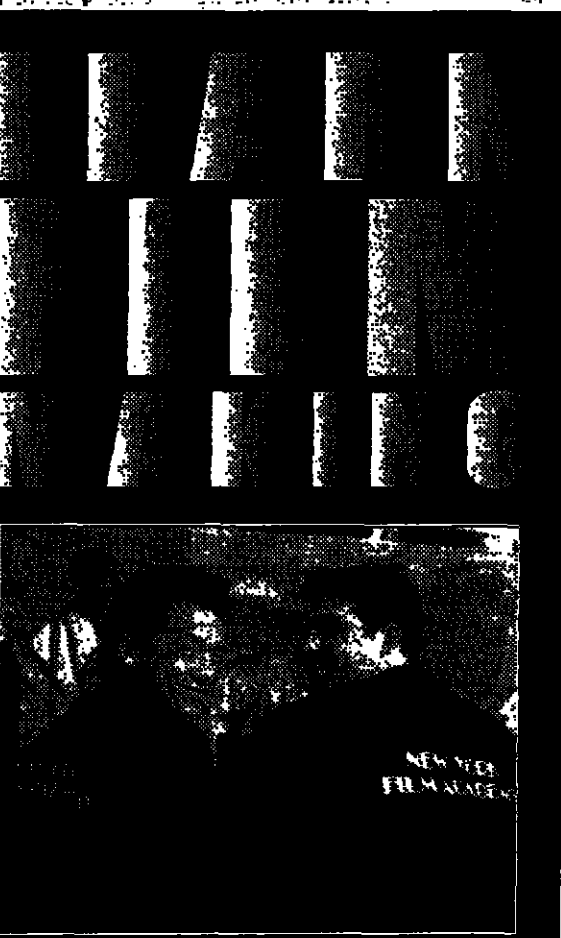
William McDaniel, a lawyer for Sidney Blumenthal who will testify next week in the Clinton impeachment trial, when House prosecutors could seek to show that the White House employed a strategy of spreading negative stories about opponents or potentially damaging witnesses: "He'll say the same thing he's already testified to. If the managers ask him something new, like about the smear campaign, his answer will be, 'No, I didn't do it.' They are just lost in a fog of fantasy." (NYT)

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UCLA Chen and director Brian Babin, NYFA fellows, on the set of the magazine 'Forbidden Knowledge'.

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Hong Kong High Court Opens Door For Thousands Born on Mainland

Ruling Bolsters Right of Abode for Children With Resident Parents

HONG KONG — Hong Kong's highest court issued a landmark judgment on Friday allowing four mainland-born children to remain in the territory, potentially opening the door to thousands of new Chinese immigrants.

The ruling by the Court of Final Appeal overturned an April 1998 decision by a lower court ordering the young immigrants' return to the mainland after they entered surreptitiously to join their parents, who were Hong Kong residents.

In a surprising twist, the court allowed one of the immigrants to stay even though he was born before his parent became a Hong Kong resident.

The decision cleared up a long-standing question over whether such children had the right of abode in the territory. It also opens the door to thousands of

others who were born on the mainland and who have parents who reside in Hong Kong.

"This judgment will surely increase greatly the number of people with the right of abode here," the secretary for security, Regina Ip, said at a news conference.

"In the long term, it may have a big impact on Hong Kong."

The four young immigrants, two born in 1989, one in 1987 and one in 1978, were singled out by the government as test cases for 81 who entered Hong Kong under similar circumstances.

There are about 1,950 right-of-abode claimants in Hong Kong, the secretary for security said, adding that "a very considerable number" would be able to stay.

Under the constitution that came into effect after July 1997, when the British

colony returned to Chinese rule, children with at least one Hong Kong-resident parent had the right of abode.

But shortly after the handover, the interim legislature approved legislation limiting that right by requiring children of Hong Kong residents to prove their rights before they came and to obtain one-way travel permits from the Chinese authorities.

A lower court cited the law in ordering the return of the four children to the mainland, but the panel of five judges ruled in their favor and amended the law to eliminate their need for one-way permits.

Prospective immigrants in such circumstances must still present a "certificate of entitlement" proving that they are the children of permanent residents.

"The right of abode in a place is the right, in the eyes of its law, to call that place home; coming and going at will, staying as long as you like," Justice Kemal Bokhary ruled.

The decision is a setback for the Hong Kong government, which has struggled to prevent mainland-born children from coming to Hong Kong to join their parents, citing a lack of resources.

But the state security secretary said she did not anticipate a large influx immediately, because mainlanders coming to join their parents would still need to clear immigration procedures.

She said the Hong Kong government would work with mainland authorities to ensure that border operations remained orderly.

Activists working on the children's behalf hailed the judgment on Friday.

"This is one of the happiest days of my life," said Ho Heiwah, a social worker.

"The children can remain with their parents, that's the most important thing."

IRAQ: Limit on Aid to Foes

Continued from Page 1

under the act could backfire and create a "rogue state" in Iraq even more destabilizing than the current regime of President Saddam Hussein.

Echoing concerns over arming the opposition voiced this week by key U.S. allies in the Gulf, General Zinni told the Senate Armed Services Committee that none of 91 Iraqi opposition groups had "the capability to overthrow Saddam at this point."

Arming them, he warned, "could be very dangerous."

"I've seen the effect of regime changes that didn't quite come about the way we would have liked," General Zinni said. "And the last thing we need is a disintegrated, fragmented Iraq because the effects on the region would be far greater, in my mind, than a contained Saddam."

A State Department spokesman, James Foley, later said that he endorsed General Zinni's conclusion that opposition groups were not an immediate threat to the Iraqi regime and should not receive U.S. arms in the short term.

But Mr. Foley continued to embrace the Iraq Liberation Act and said the administration's Iraq policy "reached a turning point" after Congress passed the measure in September.

The act makes toppling Mr. Saddam's regime an explicit goal of U.S. foreign policy and authorizes \$97 million in military support to the Iraqi opposition. But it leaves any decision to arm the opposition to the administration. "No decisions have been made yet in that regard," Mr. Foley said.

As the administration shifts from containing Mr. Saddam to a more active strategy of trying to topple his regime, it designated seven opposition groups last week as eligible for military assistance and named Mr. Ricciardone to coordinate U.S. activities with opposition groups.

But those efforts have spurred opposition. The Iranian-backed Supreme Council for Islamic Revolution in Iraq, the most potent armed force within the opposition, announced last week that it wanted no part of the U.S. plan.

Two armed Kurdish militias occupying parts of northern Iraq, the only other major opposition groups with armed soldiers, quickly followed suit, despite extensive efforts by State Department officials last fall to unify the groups and enlist their support in opposing the Iraqi regime.

Fearing heavily armed Kurdish forces on its border, the Turkish government, a key U.S. ally in the region, expressed reservations this week about the Iraq Liberation Act.

Turkish concerns were echoed by Saudi officials meeting in Riyadh with Secretary of State Madeleine Albright. The Saudis said the kingdom "does not believe and does not support any foreign side to interfere in changing the ruling regime in Iraq because any such change should take place from within Iraq and by the people themselves," The Associated Press reported.

One administration official in Washington acknowledged Turkey's concerns about arming the Kurds, but cautioned that there was a difference between the Saudis' public and private positions on U.S. efforts to help topple Mr. Saddam.

"Most Arab leaders would be overjoyed if they woke up one morning and Saddam was gone," the official said. "They would like us to topple the Iraqi leader, and they would like us to do it quietly and efficiently. What they say publicly — they have to cater to the street."



Robin Cook backed by Madeleine Albright at a news conference Friday.

DAYTON: Another Chance for Europeans

Continued from Page 1

18th-century chateau 50 kilometers (30 miles) southwest of Paris.

There, prodded by the American-backed threat of NATO air strikes, Mr. Milosevic, now president of what remains of Yugoslavia, and rebel leaders in the mostly Albanian-populated Serbian province of Kosovo have been commanded to come by Feb. 6, and given one week to negotiate an interim settlement that provides "substantial autonomy" to the province.

This time, France and Britain will take on the facilitator's role that Mr. Holbrooke performed in Dayton.

The French call it "a forcing diplomatic," which means "pulling on the diplomatic pressure," and Foreign Minister Hubert Vedrine and the British foreign secretary, Robin Cook, will have to do plenty of that when they act as co-chairmen of the conference if they want results within a week.

If it succeeds, France and Britain would then take the lead in providing troops for a sizable NATO peacekeeping force to separate the warring parties and make sure peace holds until a final agreement can be negotiated.

Both countries "clearly hope the United States will join them but both are also eager to show that Europe can be more than 'dithering and indecisive' on Kosovo, as Prime Minister Tony Blair put it late last year to describe European efforts to stop the fighting.

Success in Kosovo would also give a boost to European hopes to finally make something meaningful of long hopes, enshrined in the Treaty of European Union negotiated in Maastricht, the Netherlands at the end of 1991, to create a European common foreign and security policy.

Prime Minister Blair and President Jacques Chirac of France agreed in early

December to work for a true European defense with forces that could act even in situations where their powerful NATO ally, the United States, preferred not to become involved.

That British-French agreement, hailed as historic by Mr. Blair, seemed more like hot air a few weeks later, when Britain joined the United States in bombing Iraq and France stayed aloof, complaining that the bombing should have had an explicit mandate from the United Nations Security Council.

But on Kosovo, French officials say, there is no need for a new mandate for NATO to threaten bombing if the Serbs and Albanians do not agree to negotiate. French officials say they will approve NATO orders authorizing the Supreme Allied Commander in Europe, General Wesley Clark, to fire at will if the warring parties do not stop the violence by the Feb. 6 deadline.

It was what the Europeans regard as the failure of an earlier peace plan for Kosovo, negotiated last October by Mr. Holbrooke, that gave them their opening.

The Holbrooke plan provided for 2,000 lightly armed civilian observers, only half of whom have actually arrived in Kosovo, to monitor cease-fire.

The plan also provided for negotiations that never got started while both the Serbs, who failed to live up to promises to withdraw attacking forces, and Albanian fighters kept breaking the cease-fire.

After the killing of 45 ethnic Albanian civilians in the Kosovo village of Racak earlier this month, for which the Serbs are accused, President Chirac concluded that the Holbrooke arrangements had failed, and he ordered French diplomats to come up with a new plan to force the parties to make peace.

With NATO's help, that is what may happen at Rambouillet.

KOSOVO: Settle or Face Attack

Continued from Page 1

Serbia's deputy information minister, Miroslav Popovic, said, "We can't speak of any cease-fire because we consider the KLA a terrorist organization."

The Contact Group plan calls for the two sides to meet at Rambouillet, southwest of Paris, no later than Feb. 6 for political talks led by Mr. Cook and Hubert Vedrine, the French foreign minister.

"We have done this," Mrs. Albright said, "because it is clear that without strenuous effort on our part the parties cannot or will not stop the spiral of violence that is building toward renewed humanitarian catastrophe and all-out war."

Even as she spoke, news reports from Kosovo told of more violence, including the death of 29 ethnic Albanians in a village raided by Serbian troops. The Contact Group ministers stressed that they were united in their determination to put a stop to a conflict that has threatened to engulf much of Central Europe.

"We know every country in Europe supports this démarche," Mr. Vedrine said.

Mr. Cook, referring to his coming trip to Yugoslavia, said, "I go knowing I have unity in the Contact Group."

This week in Moscow, Mrs. Albright and Foreign Minister Igor Ivanov issued a strongly worded condemnation of both the Serbian authorities and the Kosovar rebels for the violence and demanding a negotiated settlement.

But Russia, the only member of the Contact Group not also a member of NATO, opposes the use of force to back up the Contact Group's demands, which is why the threat of NATO action was not stated explicitly Friday morning. NATO has already committed itself to act if necessary to enforce the settlement sought by the Contact Group, and has been moving combat equipment into position to strike at the Serbs if they continue to balk.

The NATO secretary-general, Javier Solana, said after a meeting of the alliance Thursday that the Contact Group's ultimatum would be "fully backed by NATO's military capabilities."

In defiance of Russia, Mr. Cook and Mrs. Albright declined to specify what would happen if the Feb. 19 deadline for accepting a settlement was not met.

"The Contact Group has made it unmistakably clear that the consequences of failure to comply will be swift and serious," she said. "We have committed ourselves to doing whatever is necessary to secure compliance from both sides. And we will maintain the credible threat of force, which has proven again and again to be the only language President Milosevic understands."

She said the statement of the NATO secretary-general satisfied her that "we will have every possible tool available to us" to obtain a settlement.

Security Council action is not required, but letting the Security Council take up the issue could help calm the Russians. In the event the council disapproves, American officials said, the plan would be carried out anyway.

The Contact Group ultimatum represents a remarkable diplomatic development. First, it appears to show a degree of cohesion and determination among the European powers and the United States that was lacking for three years during the war in Bosnia-Herzegovina.

It also raises the ante for President Milosevic by requiring him to accept a dictated settlement that will end his control over a region central to Serbian national consciousness.

Russia Votes Budget Plan, But Must Still Await Aid

MOSCOW — The State Duma, the lower house of Russia's Parliament, approved the draft 1999 budget on Friday, in its third reading. But a top official said that Moscow would still need to wait months for desperately needed foreign financial assistance.

First Deputy Prime Minister Yuri Maslyukov, who has been meeting with a members of a visiting International Monetary Fund mission, said the IMF wanted the cabinet to operate under the budget for three months to prove its feasibility, and "only after that the IMF would be ready to give us money."

Officials insisted earlier that a loan agreement with the IMF could be clinched as early as February, despite strong IMF criticism of the Russia's economic plans, including the budget. But Mr. Maslyukov said the agreement could not be made until March or April.

The draft 1999 budget already assumes the receipt of foreign loans that have not yet been granted. The government desperately needs the loans to pay off huge foreign debts.

The budget also assumes that creditors will agree to restructure some loans that Russia cannot afford to pay even with the help of new loans.

The restructuring bid would become much more likely if the IMF expressed its confidence in Russia in the form of giving more aid.

The assumptions of aid and debt restructuring have drawn criticism from the IMF. The fund has also criticized the budget for projecting an average rate of 21.5 rubles to the dollar and 30 percent inflation this year.

Inflation has totaled 6.22 percent so far in January, and is expected to end the month at around 8 percent, and the ruble is already trading at 23 to the dollar.

Still, the government has said that an austere budget would allow Russia to get crucially needed foreign loans and lift itself out of the worst economic crisis

since the 1991 collapse of Soviet rule.

The Duma voted by 298 to 43 to approve the budget in its third reading, and scheduled the final, mostly technical, reading of the budget in the house for next Thursday.

Prime Minister Yevgeni Primakov's cabinet has strong support in the Duma, and the budget has the backing of all factions but one — a sharp difference from the bickering and wrangle that had surrounded the budgets earlier.

In the past, the Communists and other hard-line legislators also insisted on bloated social spending and subsidies to ailing industries, undermining Russia's finances in the process.

But now, the sore state of Russia's economy has also made it plain to everybody that spending must be reduced and Communists have kept their demands to a minimum this year.

Russia's economy is in disarray after the global crisis in emerging markets hit the country last August and the government devalued the ruble. Low oil prices have cut revenue sharply.

The budget proposal reflects the damage. It calls for government spending of just 575 billion rubles (\$25 billion) and revenues of only 474 billion rubles (\$21 billion) for the whole year. By comparison, the U.S. government collects and spends more than \$30 billion in an average week.

After reviewing over 3,000 proposed amendments, the Parliament's Budget Committee agreed to redistribute spending to earmark money to compensate private account holders who lost money when banks collapsed last fall, and support Russia's struggling Arctic north and some industries.

The panel voted down President Boris Yeltsin's call for a proportionate 12 percent cut in spending on all branches of government and restored its plan to slash allocations for the presidential office by 40 percent, while cutting parliamentary expenses by 4 percent.

SENATE: Partisanship Lives On in Trial

Continued from Page 1

Partisanship should have come as no surprise. All along, that has been maintained at the price of punting the tough decisions downfield. No agreement would have been possible Jan. 8, when the Senate approved a procedural outline by 100 to 0. If questions of witnesses and duration had been addressed.

"We'll figure it out as we go along," the majority leader, Trent Lott, kept saying.

But this time he could not bring it off, even though in the plan he rammed through the Senate on Thursday night he punted some decisions further downfield, like whether the videotapes of forthcoming depositions would be shown to the Senate and the public.

For the Democrats, working hand in glove with the White House, one major goal was to bring the trial to a conclusion as soon as possible, so they pressed, unsuccessfully, for a firm deadline of Feb. 12. The longer the trial goes on, the fewer days remain for the president to focus political attention on his agenda.

The Republican plan, which was approved, also mentioned Feb. 12, but as a target rather than a cutoff date. The plan also left the door open to a "finding of facts" — a judgment that the president was guilty of one or more crimes, which could be approved by a simple majority — before the final vote on conviction, requiring a two-thirds vote.

Otherwise, he'll say he has been vindicated when we fall short of two-thirds," one Republican conservative said. "That's intolerable."

But for the Democrats, the Republican plan was unacceptable. They wanted to slam the door now on any finding of fact, which some would represent an extraconstitutional bill of attainder.

In fact, it would achieve what many Republicans have wanted from the start: some means of vividly recording their deep-set conviction that the president is guilty, even though they lack the votes to find him guilty under the impeachment process itself.

And that was exactly the point, said Senator Richard Bryan, Democrat of Nevada. The Republicans, he said, "should not be able to do by majority vote what the Constitution contemplates by a two-thirds vote."

The idea of the depositions being shown to the Senate, and by television to

the country, is an even worse nightmare for the Democrats, especially the president. Monica Lewinsky has never spoken in public since the scandal broke; hearing her own account from her own lips would cause a sensation. "A spectacle," Mr. Daschle said.

Mr. Daschle said the Democrats were keen to preserve Ms. Lewinsky's dignity. He left unsaid their larger concerns: the dignity of Mr. Clinton and the presidency, to say nothing of their party's image for the future.

Vice President Al Gore, or whoever may be the Democratic presidential nominee in 2000, would rather not have those videotapes available for use then by the news media, to say nothing of the Republican candidates, in that campaign.

But the Republicans are running a larger risk. True, there are certain forces driving them toward letting the trial play out to a natural conclusion, quite apart from the senators' own antipathy towards Mr. Clinton. Most important of those is their own deeply conservative core constituency, strongly represented among the House impeachment managers, which does not wish them to fold their hand quite yet. Some leaders in that group are already arguing that the Senate Republicans have unfairly hamstringing the managers.

But neither presidents nor senators are elected by core constituencies alone. For electoral success, both parties need to tap into the great reservoir of middle-of-the-road voters, and those voters, every poll shows, are sick to death of the trial. The same polls show the Republicans losing ground.

The public will have forgotten all this long before 2000, several Republican senators have said in recent days. Not among them have been Mr. Gorton, Senator Spencer Abraham of Michigan, Senator Rod Grams of Minnesota and Senator Rick Santorum of Pennsylvania. Republicans who face re-election next year in competitive states that Mr. Clinton carried with ease in 1996.

Months ago, a leading Washington political operative tried and failed to stir interest in a compromise that would have led to some sort of censure resolution. It's not time yet, he was told. Try a little later.

"It's never time," he said. "Once the process starts, it's hard for anyone to jump off. It takes on a ferocious momentum of its own."



A Serbian policeman standing in front of slain ethnic Albanian rebels on Friday in the village of Rogovo in Kosovo, near the Albanian border. A Serbian policeman was also killed in the fighting. More than 20 rebels died.

BRIEFLY

Paris Ends Diana Death Inquiry

PARIS — After 17 months, the investigation into Princess Diana's death has ended, Paris prosecutors said on Friday.

All parties in the case will have 20 days to request any further tests or questioning. After that, Judge Herve Stephan is expected to make his conclusions public.

Princess Diana, her boyfriend, Dodi Fayed, and their driver, Henri Paul, were killed in a car crash in a Paris traffic tunnel on Aug. 31, 1997. The fate of nine photographers and a press motorcyclist who were tailing the princess's car that night has yet to be resolved. (AP)

Danube Dam Protocol Is Signed

BUDAPEST — Hungary and Slovakia signed a protocol Friday on a disputed scheme to build a hydroelectric dam on

the Danube, a move that marked the resumption of talks to revive the long-deadlocked project.

The two nations agreed to jointly examine the project's economic and technical factors, and Slovakia pledged to provide Hungary with all necessary data. (AFP)

For the Record

The Jehovah's Witnesses launched a public relations campaign in Paris on Friday against French tax authorities, accusing them of harassing the Christian sect's 250,000 members in France. It said the group was being labeled as a cult, not a religion. (Reuters)

The European Commission said in Brussels that it would guarantee immunity for any of its officials who wish to testify before a special committee set up to investigate allegations of corruption, mismanagement and nepotism at the EU's executive body. (IHT)

Flights From Hell: Trapped on a Detroit Runway for Up to 9 Hours

By Steve Twomey
Washington Post Service

WASHINGTON — So many hours did they languish on the runway, sealed inside aircraft after aircraft, that some passengers, like that on Eric Felgemacher's plane, his claustrophobic wife burst into tears. He half wondered if the engines would die, the heat would dissipate and a load of humanity would freeze. He picked up an air phone to alert the media, to get a court order maybe, only to encounter a dysfunctional phone system.

So many hours evaporated that on Steven Hamlen's plane, a frazzled 6-year-old boy traveling alone took to launching Matchbox cars at seat mates.

"He hit me," Mr. Hamlen said. "He hit people around me. He had pens, Magic Markers, and he was throwing those, too."

So many hours passed that on Sharon Friedman's plane, she heard a crew member scream into a radio, "You have to get us a gate and get us off the plane!"

A passenger, having perused the airline's magazine and spotted the CEO's name, used a cell phone to get his home number in Minnesota, gave it to the pilot and demanded that he call him. He did.

"We've been on this plane over seven hours," Ms. Friedman heard him tell his boss, "and we've got a desperate situation."

What happened on the year's first weekend at the Detroit airport has become not only the stuff of a federal inquiry and a class-action suit, but instant lore in the world of domestic aviation.

Several thousand travelers, many returning from warm locales and holiday adventures, were marooned for as long as nine hours aboard at least 30 planes that could neither fly away to

freedom nor struggle up to gates because of ugly conditions generated by a foot of fresh snow. Delays are a chapter in every voyager's book of experiences, but rarely does any equal sitting through "Gone With the Wind."

Twice.

The Great Wait of Jan. 2 and 3 illuminated the pressures and fragility of the major airlines' hub-and-spoke systems and gave passengers used to living in a mobile society a dose of a little-appreciated reality: Once your flight leaves the gate, your life is not your own. The airline rules.

For obvious reasons of both safety and efficiency, no regulation gives passengers a right to be released on demand, federal officials say. None limit how long they may be kept in deteriorating conditions, nor stipulate that they must be provided food and beverages, nor set standards for bathroom hygiene.

Such creature-comfort rules might not exist because there has never been a need. For one thing, no one can recall a debacle as big as the one in Detroit. Although countless travelers have been stranded inside terminals because of bad weather, equipment failure or congestion, they could still walk around, eat, watch television and use bathrooms. Those privileges were sharply curtailed at Detroit for thousands and for hours.

"It takes this kind of extreme case to break the rule that you don't have any rights," said Lawrence Charfoos, an attorney helping five of the Detroit victims with a lawsuit that alleges emotional distress and false imprisonment, a suit that at least 170 other passengers have contacted Mr. Charfoos about. "This is unprecedented in anyone's arsenal of stories."

But Aaron Gellman, director of the Transportation Center at Northwestern University,

opposes federal intervention to establish passenger rights. The unseen hand of capitalism is enough, Mr. Gellman said. Airlines want to be known for being nice. They do not want to be known for operating runway go-lags.

"They don't want to keep you there," Mr. Gellman said. "It's in their interest to get you off so they can use the plane again. That's enough of an incentive."

If the Detroit incident reflected callousness or mismanagement, Mr. Gellman said, "then they'll pay the price in the marketplace, and they know that."

More than one airline was involved at Detroit, but the lawsuit is aimed at Northwest, Detroit's biggest carrier. Struggling to maintain the in-and-out dance of its biggest hub, Northwest pushed departing planes away from gates — only to find they could not get off the ground and had no gate to return to. It kept landing planes from across the country — only to find there were not enough gates for them, either.

"You make judgments, and sometimes they're wrong," said Jon Austin, a spokesman for Northwest, noting that the storm was monstrous.

The airline sees no merit to the suit, but it has apologized by mailing 4,500 passengers coupons good for a free round-trip ticket anywhere in the 48 contiguous states.

As the hours crawled by, no one died or became seriously ill, no fights broke out and no mutinies occurred. But cabin after cabin experienced meltdown. Captives cursed, phoned for help, concocted rescue schemes and wondered why other airlines' planes were taking off but not theirs.

Food, formula, beverages and reading material dwindled on planes that had been making relatively short domestic hops. The aroma of

fuel competed with that of overtaxed toilets. Passengers fumed about why buses and portable stoves weren't driven out to them and why planes blocking gates couldn't be pushed out of the way.

"There was no music," said Mr. Hamlen, 28, a chemical engineer from Stroudsburg, Pennsylvania, who waited nine hours aboard a Philadelphia-bound flight.

"There was no television. There was no entertainment. So essentially we sat there, in our chairs, and talked to the people around us. It was exactly like a hostage situation. I felt like they were doing a psychological test on us, to test new forms of torture."

Many contemplated opening emergency doors, and damn the federal penalties. Many found they couldn't kill time by reading because they were too upset or too certain their ordeal would end any minute.

Medical emergencies were declared. Planes that had a medical emergency leaptrogged to the head of the line, and people on planes that didn't have one wished they did.

"As the afternoon wore on and the sun started going down, people were getting upset," said Mr. Felgemacher, 39, a software writer from Kalamazoo, Michigan, who landed after a Florida vacation, only to sit for more than seven hours. "I took a nap, and then I ran out of things to read. We were trying to make light conversation." Most passengers had nothing but praise for flight crews, who were calm, sympathetic and just as unhappy. Passengers had nothing but derision for Northwest. "There had to be some pretty incompetent people somewhere to allow that aircraft to depart Tampa knowing full well that they had no place to park it when it arrived," Mr. Felgemacher said.

Northwest, in reply, said its business was

getting people where they hope to go, and so it made the decision to try. Things didn't work out.

In the aftermath, Northwest and airport officials initially dueling over the efficiency of snow removal, but now the airline says the airport did the best it could.

Mr. Austin, the Northwest spokesman, said the nightmare began Saturday, when outbound flights were canceled as the storm worsened. Aircraft began to fill the "alleyways" between concourses, "and there was no place that was plowed that they could be towed to," he said.

On Sunday, Northwest expected the logjams to be cleared and it decided to let flights elsewhere lift off for Detroit. But Northwest workers in Detroit were having trouble getting to their jobs to clear away planes and operate gates, Mr. Austin said, and as flights touched down, "we only had the gates at the very end of the concourses."

The airline did not want passengers to disembark on the runway, because planes were parked "between two and three miles from the terminal, the wind chill was 30 below, there was blowing, drifting snow," he added.

The Department of Transportation is looking into the mess, not because any federal rules might have been violated, but because Representative John Dingell, Democrat of Michigan, pushed for a report.

By the way, when the waits were over, they weren't. Freed passengers encountered terminals in chaos, as stranded travelers competed for food, bathrooms and ticket counters.

Kelly Larkin, having spent eight hours on a plane, had to wait four hours more to try to reschedule her flight, until 1 A.M., when she was next in line. "And then," she said, "they closed the window and said they'd reopen at 5:30."



Indonesian officials from the office of the attorney general practicing Friday with rattan sticks that were issued to them for use in controlling crowds, including the student demonstrators who continue to be active.

Chinese Police Foil Bomb Attempt Detonation on Busy Shenzhen Street Follows Wave of Fatal Blasts

By Michael Laris
Washington Post Service

BEIJING — A bomb that had been left to explode on a teeming main boulevard next to the New China Hotel in the southern Chinese city of Shenzhen was discovered and safely detonated by the police Friday, according to local authorities and hotel employees.

The incident, which left traffic snarled but no one hurt, follows a bombing this week, and at least three others this month.

On Monday, a crude explosive device believed to have been packed with nails to increase its deadly sweep, blew up near a vegetable market in central Hunan Province. A report in the official Yangcheng Evening News said the explosion killed 8 people and wounded 65, bringing the death toll from bombings this year to at least 29.

The motives for the attacks are unknown in all but one of the bombings. In that case, a would-be thief in the northeastern Liaoning Province blew up a bus in a failed robbery attempt Jan. 6, official sources said.

No official explanations have been given for the other blasts, either because the police have not cracked the cases or

because the government does not want to release the news it does have.

The lack of information has left observers with widely divergent views about what exactly is going on.

As the Asian economic crisis continues to bite, and as rural incomes remain flat just as more workers at inefficient state-owned enterprises are being laid off, authorities in Beijing have become increasingly worried about unrest, especially in a year stacked with sensitive anniversaries.

June will mark the 10th anniversary

Social problems are becoming more intense and more numerous.

of the killings of student demonstrators near Tiananmen Square, and October will mark the 50th anniversary of the founding of the People's Republic of China.

But observers disagree about whether the bombings are violent manifestations of seething discontent in Chinese society, or whether they are more likely to be separatist attacks, gang crimes, or random acts of destruction.

"Social problems are becoming more intense and more numerous," said Frank Lu, spokesman for the Hong Kong-based Information Center for Human Rights and Democratic Movement in China.

"The people that would do this kind of thing are very dissatisfied with the government," he continued. "When it is impossible to go through normal channels to get a fair judgment, they take revenge on the government through terrorism."

He cited a Jan. 27 report in an official newspaper, the Guangzhou Daily. According to the account, four villagers were allegedly executed by policemen in Guangdong in August 1997 so that one of the policemen's relatives could avoid paying back money he owed one of the villagers. The victims' relatives had to petition authorities in Guangzhou and Beijing 27 times to get the case investigated, the paper said.

Although the policemen are finally being put on trial now, aggrieved and desperate relatives in such cases could have easily turned violent, Mr. Lu said.

BOOKS

FLAMBOYANT

By Elizabeth Swados. 244 pages. \$22. Picador.

Reviewed by Mary Kay Zuravleff

THE main character of Elizabeth Swados's new novel is the eponymous Flamboyant, who describes herself as a "simple child prostitute trying to stay alive long enough to obtain a position as Madonna's handmaiden."

Self-educated, as comfortable dishing up allusions to the Bible as to Janet Jackson, Flamboyant is a student at Harvey Milk High School in New York. This safe house, named for the assassinated San Francisco gay civic leader, "took in all healthy and sick boys and girls with all manner of sexual eccentricities. Hookers, fags, dykes and the undecided." The building is dilapidated, the students more so, having experienced every possible disadvantage and degradation. On a good day, the chemistry teacher dances through the classroom, operatically singing the periodic table, and the students form a conga line behind him. On a bad day, little is learned, but no one gets hurt.

Enter the new teacher, Chana Landau, an Orthodox Jew from Brooklyn who intends to settle her father's debts and feather her dowry before marrying Avi Wiseman. Chana is so sheltered that just meeting with a person of color prompts her to write: "I'd never seen dark skin so close up. . . . My eyes simply couldn't do the job of taking in this new style of person alone." If black is new, how about black teen queen pimp training to be a goddess (Flamboyant's best friend, Gerard)? In fact, Chana is undone by her new school. "My world got dipped in cotton. I went blind with shock. . . . I didn't want to faint because the floor was so dirty."

As soon as she gets her bearings, she lurches onto Flamboyant, who willingly becomes Helen Keller to her. Annie Sullivan. Or as Flamboyant writes it: "You dangerous person. . . . You con-jugator! I became the deaf child signing the words to 'You Light Up My Life,' and you were a Jewish Debby Boone." Chana's faith deems homosexuality a crime against God, but it also deems teaching an important gift.

With Flamboyant's precarious lifestyle in mind, Chana invokes another loophole: You may break a rule if you save a life. But her courage doesn't cross the Brooklyn Bridge with her; she can't even tell her father about her students. This deception ultimately rocks both families, sending her and Avi all the way to an Israeli rebbe and Flamboyant into suicidal mania. In Israel, the wise man cannot even grasp her description of the school: "The boys are with the boys and the girls with the girls?" the rebbe said. "Is this not a good thing? Is this not how we do it?"

There is humor in the characters' irreverence and passion in their reverence. Unfortunately, the novel's form proves a disservice to the story. Chana and Flamboyant alternate as narrators of mock journal entries. The rise goes as far as alternating typefaces: Flamboyant's chapters begin with a font meant to resemble teen handwriting, and Chana's, in a typeface befitting her shawl and long skirt, are headed by the translated Hebrew "With the Help of Heaven" and by dates from the Jewish calendar.

The artifice grates, especially because neither character convincingly explains their attraction, supposedly the reason for this novel. A little objectivity might eliminate the need for an explanation.

That said, Flamboyant is a brilliant commentator on our times. She's got Zeigist fever, and she writes with sass and honesty. All too familiar is the compromise that Chana reaches: Hate the sin, love the sinner. It is a humane enough resolution, though pale in comparison to the challenge of life as a child prostitute. Even in Flamboyant's benediction is her beguiling taunt: "I love you, Chana. Shalom, shalom on the range. I'm going to show all this to you. When do you show me yours?"

Mary Kay Zuravleff, a novelist, wrote this for The Washington Post.

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East Timor Rebel Leader Accepts Offer to Move From Prison

Compiled by Our Staff From Dispatches

JAKARTA — The imprisoned leader of the East Timor rebel movement on Friday accepted an Indonesian proposal that he move from his cell to house detention, and said he would start preparing for the independence of his homeland.

"I accept the offer," said the rebel leader, Xanana Gusmao, 53, speaking at Jakarta's Cipinang prison, where he is

serving a 20-year term.

Indonesia said Wednesday that it would move Mr. Gusmao and end 23 years of opposition to independence for East Timor, asserting that it may consider freeing the territory after the national election on June 7.

"I think Indonesia should start disarming the people," the army "should reduce its troops and if possible make an agreement with us to cease fire," Mr.

Gusmao said.

Pro-independence guerrillas have been waging a low-level rebellion against Indonesia since it invaded the former Portuguese colony in 1975 and annexed it a year later. Indonesia's rule in East Timor has never been recognized by the United Nations or most foreign governments.

Mr. Gusmao welcomed Indonesia's change of policy, but said the territory

needed time to prepare for independence. "Implicitly, the Indonesian government has recognized our right to self-determination, to independence," he said. "We are delighted by the decision, but the settlement needs more time and effort."

He rejected warnings that speedy independence would spark civil war, saying that East Timor could manage if it were freed tomorrow.

Aid workers and residents said Friday that bloody clashes between rival Timorese groups were occurring daily.

Pro-Jakarta Timorese say they will fight to protect themselves if Indonesia leaves.

"If East Timor decides to be independent, then we are ready to fight," said Basilio Dias Azenjo, a pro-Indonesian activist who works in the governor's office. "We just don't want to die."

(AFP, Reuters)

GAINING WEIGHT By Mammy Nosowsky

ACROSS	1 Gold count	2 Calif. daily	3 See 17-Down	4 Mark of a ruler	5 Upset and then some	6 Dreadlocks	7 sporter, for short	8 Take the algae out for a stroll?	9 Lord's attendant	10 Public transport	11 "Rah!"	12 "And this is the thanks—"	13 Ax polity	14 Penta plus three	15 Juan—Plus	16 Public rescue	17 Sports trophy since 1927	18 Sapporo sash	19 A question of timing	20 Pante problema	21 It has shoulders	22 Trading partner of ancient Tyre	23 Vandalize part of Ohio?	24 Weight lifter	25 Annual TV event, with "the"	26 "You have to see this!"	27 Is worthwhile	28 Fate	29 Pin spots?	30 It comes with sections	31 1938 movie chiller, with "The"	32 Standard varieties	33 Old magazine billed as "America's Aviation Weekly"	34 Interviews	35 Deviation	36 Our church's blond caretaker?	37 Aquatics	38 Lazybones's declaration				
DOWN	1 Bow (to)	2 Oil-sty revolutionary	3 Empathize	4 1993 Super Bowl M.V.P.	5 Big bang maker	6 Research types	7 Wee	8 Have—of (display)	9 Lamon-flavored, maybe	10 Upset	11 Concern	12 It may block a compromise	13 Like many classical aphorisms	14 Patience	15 Kind of shirt	16 Equal to tense?	17 With 14-Across, certain crystal	18 Erie base	19 Its main street marks Las Vegas Gulch	20 Files or gaffles	21 Sch. meeting room	22 Fleecy	23 Patronizes	24 Indo-European speaker	25 Choral syllable	26 With 33-Down, "new socialist man" advocate	27 Everywhere	28 Nuzzles or nuzzles	29 "An American in Paris" co-star, 1951	30 "No problem here"	31 Bow	32 Give top honors in New Jersey?	33 Diplomats' Abbr.	34 Pullovers	35 Go flat?	36 Class of submarines	37 Launderer's challenge	38 Purin hoarse	39 "Beverly Hills" author	40 Carnegie Hall event	41 Verdi's Alfredo Germolli, e.g.	42 Team components

Solution to Puzzle of Jan. 23-24

1. Gold count
2. Calif. daily
3. See 17-Down
4. Mark of a ruler
5. Upset and then some
6. Dreadlocks
7. sporter, for short
8. Take the algae out for a stroll?
9. Lord's attendant
10. Public transport
11. "Rah!"
12. "And this is the thanks—"
13. Ax polity
14. Penta plus three
15. Juan—Plus
16. Public rescue
17. Sports trophy since 1927
18. Sapporo sash
19. A question of timing
20. Pante problema
21. It has shoulders
22. Trading partner of ancient Tyre
23. Vandalize part of Ohio?
24. Weight lifter
25. Annual TV event, with "the"
26. "You have to see this!"
27. Is worthwhile
28. Fate
29. Pin spots?
30. It comes with sections
31. 1938 movie chiller, with "The"
32. Standard varieties
33. Old magazine billed as "America's Aviation Weekly"
34. Interviews
35. Deviation
36. Our church's blond caretaker?
37. Aquatics
38. Lazybones's declaration

ART

Hockney: Virtuoso Of Style

By Michael Gibson
International Herald Tribune

PARIS — Three Paris museums are devoting space to nearly 40 years of the work of David Hockney.

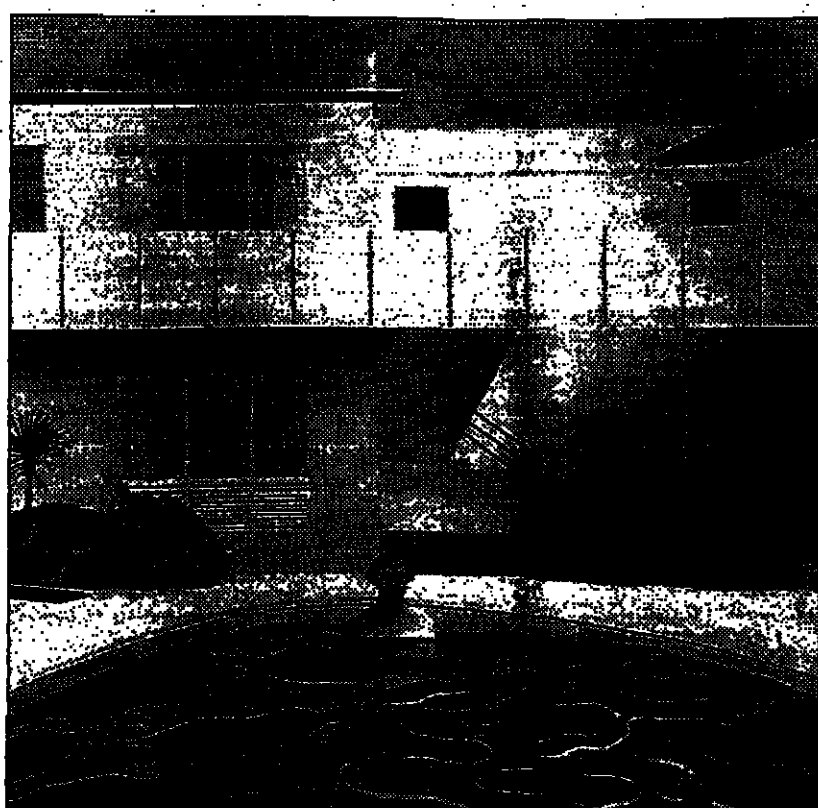
The Pompidou Center show, which opened this week, largely focuses on Hockney's landscapes; the Picasso Museum show, which opens Feb. 10, lists in on Hockney's dialogue with that great Minotaur of modern art; and a show at the Maison Europeenne de la Photographie, also opening Feb. 10, will display his abundant photographic work.

From his earliest years, Hockney (born in 1937) showed something of the impish impudence and virtuosity of the semitic Amadeus concocted by Milos Forman in the film of the same name. At a time when everyone was solemnly following the party line of abstract art, Hockney was juggling with every idiom, drawing and painting people, buildings and landscapes and holding his own very nicely in ever-changing styles and media, joining visual delight to cultural commentary and lots of tongue-in-cheek wit.

His California paintings of the mid-1960s include flat, frontal views of a number of solemn, symmetrical buildings that clearly had never been intended for this sort of grand treatment. They become a commentary not only on the mentality that produced them, but also on a certain form of austere geometrical abstraction.

Among the works that most contribute to Hockney's fame are those devoted to that omnipresent California artifact, the swimming pool. Chief among them is the 1967 work "A Bigger Splash," a hyper-cool composition showing the flat and rectilinear setting for a blue pool into which the painting's sole human presence has just plunged and disappeared, raising a great white plume.

A 1966 painting shows the artist's



David Hockney's "Portrait of Nick Wilder," the artist's neighbor (1966).

neighbor and friend, the painter Nick Wilder, immersed shoulder-high in the swimming pool in front of his orthogonal house. The title, "Portrait of Nick Wilder," implies that the pool and house are part of Wilder's persona, while the presentation of the subject is cheerfully reminiscent of the way we are usually allowed to view sea lions at the zoo.

In the 1980s Hockney began to play around with variations on perspective. Some of his works experiment with the type of reverse perspective found in traditional icons. Others turn to the fragmented view of cubism to create a multifocus perspective that works convincingly both in landscapes and portraits.

The Picasso Museum exhibition will hinge on Hockney's dialogue with the art of Picasso, of which the landscapes shown at the Pompidou Center are also, in a sense, a by-product. Hockney offers his own interpretation of the distortions apparent in Picasso's portraits and of his Cubist approach in general.

The exhibition at the Maison Europeenne de la Photographie showcases Hockney's photomontages of landscapes and portraits.

It is perhaps significant, on the occasion of this event, that a certain branch of French art criticism should be looking down its collective nose at Hockney's work. It does after all embody a rejection of the ideology that still tends to take precedence here, and a benign playfulness and humor that must be perceived as an offense to the plodding heart and mind.

At the opening of the Pompidou Center show this week, a visitor approached Hockney to congratulate him: "Your work is full of joy," he said. "You must be a happy man!"

"Reasonably happy!" Hockney avowed with a wry grin.

David Hockney, Pompidou Center, to April 26; Picasso Museum, Feb. 10 to May 3; and Maison de la Photographie Europeenne, 82 Rue Francois Miron, Feb. 10 to May 14.

New Heights for Old Masters

Prices Soar Amid Drawings' Popularity With Collectors

By Souren Melikian
International Herald Tribune

NEW YORK — The day Old Master drawings no longer pass from hand to hand and all end up stashed in museum folders to be displayed at wide intervals according to school and period as decreed by academe may not be so far off.

Already, the extraordinary rise of the Old Master drawings market puts almost all sketches of any significance beyond the financial reach of two-thirds of its traditional constituency as it stood even a decade ago. The process was perceptible this week in New York, the place that now draws Old Master drawings from all over the world at an ever-accelerating pace.

At the very top, it is museum or private buyers advised by museum curators in the days of traditional collecting as marrying on a counselor's advice might be that cream the market. The work of ultra-famous masters is now virtually inaccessible to European collectors. If there are exceptions, they tend to be minuscule in size.

The 6.7-by-4.3 centimeter vignette of a feminine figure in pen and brown ink by Durer, which shot up to an astronomical \$475,500 on Wednesday at Sotheby's, came from the treasured possessions of a deceased German collector, Henry Scipio Reitzinger, when last seen at auction, in London in 1954. It is now on its way back to a North European home.

But not so the large (29.6-by-46.4 centimeter) newly



Giulio Clovio's "Portrait of a Man Wearing a Cap."

discovered drawing by Pieter Coecke van Aelst. This is a preparatory sketch for a tapestry forming part of a suite of nine relating to the life of Saint Paul. Exquisitely done in light brown ink heightened with white, "The Sacrifice at Lystra" differs in its detail from the woven version of the subject, and that alone makes it interesting.

Above all, however, the aesthetic feel is radically different. The lightness with which the characters' features are drawn, the delicate brown and white toning to convey volume brings it closer to the miniature painter's art. Richard Day, the London dealer, was bidding on it, from which professionals inferred that the J. Paul Getty Museum had added one more great drawing to its collection. Paying \$343,500 is not a problem for such an institution. For most private buyers, it would be.

On Thursday, in Christie's sale, the most spectacular lot certainly went to the Getty. The suite of 20 drawings by Federico Zuccaro has the enchanting wit of a comic strip done with the talent of a Cinquecento master. The shaped frames of some of the drawings in conjunction with the viewpoint indicates that these were preliminary studies for frescoes, presumably intended for the ceiling of his palazzo.

In his will, dated 1603, Zuccaro explains the iconography, which is also described by Vasari. Zuccaro, by then a rich, successful artist, intended to leave the palazzo to the Accademia di San Luca. It was to be a residence for poor artists keen to study in Rome.

The planned paintings were never executed — that part of construction was unfinished when Federico Zuccaro died. No subject would have been more appropriate for its intended destination.

level to which drawings of any quality have been hoisted, even if it is now lower than at the height of the market, in 1990.

Immediately after the life story of Taddeo, an exquisite modello for a fresco in a Roman Church, also by Federico Zuccaro, sold on Thursday for \$40,250. This may be less than the \$53,900 paid by Finacor in 1990 at Sotheby's, but it is still more than most of the European collectors of yore would be able or willing to pay.

Slowly, the Europeans are thus being cut off from an art that can only be understood through repeated personal contact and is fundamentally different from painting.

Right at the beginning of Sotheby's sale there came a portrait in black chalk of a Renaissance scholar wearing a mantle with a fur collar and a cap. Considered to be the work of Giulio Clovio, it is a masterpiece as great as any by Titian. Timeless in its profound psychological probe, and unencumbered by the finishing details of ornamentation that oil paintings display, it was bought for \$26,450 by an American collector. Well within the means of the Europeans, it escaped their eye.

True, they did not miss out on an admirable drawing by Taddeo Zuccaro. Done in pen and brown wash as a preparatory study for a full-fledged "Virgin and Child," it is profoundly beautiful with its chiaroscuro effects that leave the young woman's face illuminated, eyes cast down, looking at the infant Jesus with an ineffable expression of rapture and repressed distress. The inspired buyer is said by insiders to be an Italian aristocrat.

But when came a previously unknown, very rare, early red chalk study of a saint by Perino del Vaga, the fight was waged by two French private collectors, who were then outbid by an Italian collector, who in turn bowed out to an American. At \$156,600, the sketch nearly quadrupled the high estimate.

In Christie's sale Thursday, the rarities or the masterpieces largely went to Americans. Cigoli's \$51,750 study of a man seen from behind wearing an Ancient Roman drape, formerly in the British Rail Pension Fund, then in the French investment fund, will stay in America. And so will Federico Barocci's very large "Madonna del Popolo," bought at the second Chatsworth sale in 1987 in London by David Tunick of New York against the Getty for the equivalent of \$2.83 million. It sold on Thursday for only \$2.64 million — to an American collector. It was the jewel in the crown.

The relentless transfer across the Atlantic, it would appear, is accelerating.

Russian Nonconformists Brave the West



Yankilevsky's collages reflect a blend of abstraction, surrealism and eroticism that was considered subversive in the Soviet Union.

By Meg Bortin

BRUSSELS — Up a flight of stairs in a disused brewery in the canal district of Brussels, a small gallery is presenting new works by Vladimir Yankilevsky, a leading member of the "lost generation" of Russian artists now living in Europe.

Yankilevsky, 60, worked in obscurity for decades. His blend of abstraction, surrealism and eroticism was considered so subversive in the Soviet Union that he was rarely able to exhibit his work.

Over the last 10 years, he has enjoyed belated recognition with major shows in Paris, New York, Chicago, Moscow and various German cities. The exhibition of collages he brought the Dewart Gallery in Brussels will be followed in April by a retrospective at the Sandmann Gallery in Berlin.

Hailed by a Brussels critic as "the most original and most profound of the Russian artists who emerged in the 1960s," Yankilevsky nonetheless faces hurdles in the West. Like émigrés of decades past, he lives in a tiny Paris flat and works upstairs in a maid's room converted into a studio.

His situation is typical of the handful of top-class "nonconformist" Russian artists working abroad. Yankilevsky, Edik Steinberg, Erik Rutatov, Oleg Tselkov, Oscar Rabin — all now residents of Paris — left Soviet repression behind, only to confront new difficulties.

Formerly banned from showing their work, denied materials and workspace by the state, they now struggle with Western economic realities and a mercurial art market.

The irony is not lost on a generation of artists who braved harassment and even risked their freedom by working outside official Soviet doctrine.

Tselkov, whose sinister, mask-like faces were a far cry

from Socialist Realism, was forced to emigrate in 1977. Rabin, an organizer of the infamous outdoor Moscow exhibition of 1974 that was bulldozed by the authorities, was stripped of his citizenship while abroad in 1978.

The others left when Mikhail Gorbachev's glasnost provided an outlet. Until then, their work was unknown outside a small circle of connoisseurs.

"We were all like orphans," Yankilevsky recalls. "We had no one to back us. We could sell almost nothing and almost all of us had to work at other jobs in order to live. In my case, I made things and for 20 years no one saw them. They stayed in the studio. They were seen by maybe 50 people."

Some of the "nonconformists" managed to get their works shown, briefly. These fleeting exhibits attracted the interest of Westerners — in Yankilevsky's case, the Paris gallery owner Dina Vierny, who represents him today.

Other underground artists exhibited their work at their peril. "We didn't really decide to come here," Rabin, 70, said at his Paris atelier near the Pompidou Center. "The authorities came to me and proposed that I take a trip to the West to let things settle down. Then they took away my passport and stripped me of my citizenship."

Rabin's paintings were considered provocative by the regime not because they were particularly experimental, but because they depicted Soviet streets and interiors as they really were: more dilapidated than glorious.

Tselkov, with his bold colors and grotesque faces, was brasher in flouting the line. He was sent into exile.

Upon arrival in Paris, neither Rabin nor Tselkov was able to find a gallery. Rabin sells privately to collectors. Tselkov, 64, sells mainly through the Sloan Gallery in Denver. His work is still not exhibited in France, although he has a large painting

at the Stedelijk in Amsterdam. Steinberg, whose geometric abstractions hark back to the Constructivism of Kasimir Malevich, has had better luck in the West. A major exhibit of his work opens in March at the Leverkusen Museum in Germany.

Bulatov, 65, whose work incorporated official Soviet slogans into hyperrealistic

landscapes, says his paintings implicitly showed the inhumanity of the system.

Meg Bortin is a journalist based in Paris.

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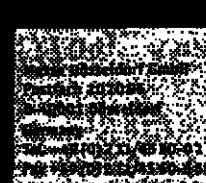
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A Proposal for Censure

In light of the vote Wednesday on Senator Robert Byrd's motion to dismiss the case against the president, it seems clear that President Bill Clinton will not be removed from office.

While the Senate rejected the motion, 44 Democrats supported it, meaning that the president had 11 votes more than he would need to secure his acquittal. As a result, further wrangling over witnesses and the course of the trial seems superfluous. The more constructive approach is to begin working up a fitting censure resolution, one tough enough to adequately describe Mr. Clinton's degrading behavior but which neither encroaches on the presidency nor says more than the facts will permit.

Senator Dianne Feinstein, Democrat of California, has been working with other senators of both parties to prepare such a resolution, though she has not yet made her proposal public. In our view, the Senate should pass a resolution along the following lines:

"Whereas the American people are entitled to expect that their president will in all his actions enforce and uphold the law to the best of his ability, and

"Whereas President William Jefferson Clinton twice took the inaugural oath committing him to do so, and

"Whereas this oath and this expectation of the American people both require that President William Jefferson Clinton at all times respect the functioning of legitimate government-

al processes even when those processes stand to affect him adversely, and

"Whereas President William Jefferson Clinton gave, in a civil deposition, testimony that was false and, whether or not in violation of the criminal laws of the United States, an attempt to corrupt the evidence used in litigation in a federal court, and

"Whereas President William Jefferson Clinton engaged in a course of conduct that, whether or not it violated the criminal laws of the United States, was obstructive of the ability of that federal court to act with a reasonable apprehension of the evidence in a case duly before it, and

"Whereas President William Jefferson Clinton, before a federal grand jury, gave testimony that was false and, whether or not in violation of the criminal laws of the United States, intended to mislead a legitimate investigative body as to the nature of his prior false testimony,

"It is, therefore, resolved by the Senate of the United States that William Jefferson Clinton, president of the United States, has demonstrated contempt for his oath of office and his obligations both as a citizen of the United States and as an example to all other citizens of the United States. In so doing, he has lessened the esteem held for his office by the American people and has earned the censure of this body."

—THE WASHINGTON POST.

The Battle Over Words

About 'Niggardly'

Julian Bond, chairman of the National Association for the Advancement of Colored People, got it exactly right Thursday when he said that Washington's mayor, Anthony Williams, was wrong to ask the resignation of a presumably loyal and competent aide who had been a subordinate by using the word "niggardly" in a conversation. Mr. Williams said he did not believe the aide in question, David Howard, whom he had named as public advocate only days earlier, said "anything that was in itself racist." If so, Mr. Howard's resignation should have been rejected.

The mayor's explanation for letting Mr. Howard leave his administration made an unpleasant situation even worse. The mayor said that while the word "niggardly" was not a racial slur, Mr. Howard should not have used a word that could have been misunderstood. "I think what David did," said the mayor, "was get caught smoking in a refinery with a resulting explosion." That's a dud.

If the account of what was said is true, it was the listener who wrongly

attached an offensive connotation to the word. But who has been made to pay for the listener's ignorance of the word's true meaning? Not those who have spread ugly rumors about what Mr. Howard said. The person on the streets is David Howard, who quit to spare the mayor any embarrassment.

On Thursday, Mr. Williams indicated that he was reviewing the entire matter and might ask Mr. Howard to rejoin his administration — but in another capacity — if it is determined he did not use a racial epithet. Even that does not strike us as the right way to handle the situation. If, in fact, Mr. Howard did nothing wrong, the right thing to do is to put him back in the job, with a little staff housecleaning to follow. None of this means the popular mayor should be unkind to the relatively few in this city who are ready to go off with the slightest affront, real or imagined. But as Mr. Bond rightly told The Associated Press, "You hate to think you have to censor your language to meet other people's lack of understanding." Mr. Howard should not have quit. Mr. Williams should bring him back — and order dictionaries issued to all staff who need them.

—THE WASHINGTON POST.

The Right to Swear

Since the defendant's name is Timothy Boomer, it is difficult to resist a certain lightness of tone about the freedom of speech case now being considered by a Michigan judge. After Mr. Boomer's canoe belied up in the River north of Detroit, he began yelling several crude words — O.K., maybe a whole carload of crude words, some of which could be heard a quarter of a mile away. His vocalizing offended a family canoeing nearby, provoking the mother to put her hands over her child's ears. Then a sheriff's deputy, on what must have been a fairly crowded stretch of river, issued Mr. Boomer a ticket under an 1897 state law prohibiting cursing in front of women and children.

Mr. Boomer's ticket should be an easy call for the courts; this antique law clearly frees on constitutional protections of free speech.

Still, the intensity of the battle offers a clue about how some people feel about dirty talking.

In Raritan, New Jersey, for example, the borough's elders decided four years ago to ban "profane, vulgar or indecent language" in streets, businesses, houses, churches or any "private or public place." So far, no one has been cited. The worst Raritan residents have had to suffer is labels like "Village of the Damned."

For those needing to break the explosive habit, James O'Connor has created the Cuss Control Academy, a kind of bleepers anonymous, outside China-

go. He advises high schoolers that cursing ruins your image and no longer shocks anybody, except maybe in Michigan and Raritan. He offers substitutes like, "I'm up the creek without a paddle."

The Michigan judge should dismiss this case quickly. Mr. Boomer does not belong in a courtroom. He might not even need Mr. O'Connor. Mobbed by the media earlier this week, the 24-year-old looked like somebody who had already been punished or at least shamed by his new international status as "the super-cusser," as he put it, adding sheepishly: "My parents didn't raise me this way."

—THE NEW YORK TIMES.

Other Comment

Contradictions on Iraq

The French and the Russians have both presented proposals to the Security Council ... to weaken the UN oversight of Iraq's activities and give the Iraqis what they have been seeking for years — an end to international sanctions ... The administration has offered its own plan, largely to alleviate the ever-present suffering from lack of food and medicine to the people of Iraq.

We're all troubled by these contradictions ... one day we're bombing, the next we're proposing some economic forms of relief ... The question is: Are these proposals consistent?

—Senator John Warner, Republican of Virginia, at a hearing of the Senate Armed Services Committee on Thursday.

Assessing the Downside of Foreign Direct Investment

By Philip Bowring

DAVOS, Switzerland — What is wrong with globalization? It is a question that is even hinted at in the theme of this year's annual meeting of the World Economic Forum. Normally a globalization cheerleader, the forum is now looking at the problems of "Managing the impact of globalization."

But are most people looking in the wrong place for the downside of globalization on today's global economy? It is easy to point the finger at huge short-term capital flows, the destruction wrought by free movement of capital on poorly policed banking systems, the extreme volatility of financial markets driven by greed and fear on global scale. All have played a role in today's problems.

However, there is one investment stream which has remained above the fray and is regarded almost universally as a "good thing," indeed as something of a sacred cow: foreign direct investment.

Foreign direct investment creates real businesses, not asset bubbles, is long term, relatively stable, brings technology transfer and involves no foreign debt burden.

All of that is true. Over the past fifty

years, foreign direct investment has generally played a very positive role. But one can have too much of a good thing. An uncritical outlook by the suppliers of foreign direct investment is the main cause of the capacity glut now facing so many global industries.

Those gluts are as big a danger to the global economy and trading systems as the financial-sector mayhem. Arguably, these gluts were as much at the root of the Asian crisis as bad banking systems and are now a factor in trade tensions between the United States and all its major trade partners. They also have a dangerously negative impact on manufacturing profits in the United States and Europe.

The gluts developed because of the response of multinational corporations to investment liberalization of the past decade which swept China, Latin America, Eastern Europe, even India.

The search for new markets in developing countries was essential but was often pursued with no sense of proportion. Cars are an obvious example where new opportunities led

multinational and local industries alike into new projects with scant regard for market size and growth potential.

As ever, China leads the excess-capacity league but supply now exceeds demand by massive margins almost everywhere in Asia. The same logic applies to consumer durables and other industries from beer to cement.

The very companies that talk of "shareholder value" at home are often driven by other considerations when they go offshore, investing in huge projects with scant regard for profit.

Sometimes this may simply be naïveté, the assumption that a billion Chinese will soon have middle-class lifestyles.

But also at work is something akin to Joseph Schumpeter's theory of 19th century European imperialism. He argued, against Marx, that investment frenzy was driven not so much by a desire for markets and profits but simply reflected a desire to deny space to rivals. Fear, more than greed, was the motivation.

Fast forward a century and one very often finds corporations driven to invest as much out of fear of rivals — or of missing out on a big new market —

as by a realistic business plan. "Long-term strategy" covers up lack of any strategy.

So much for market economics and the profit motive.

A related problem is that in many cases investments have taken inadequate account of local buying power. Globalization brings brand names, which mean quality but also cost.

Products created for the United States and Europe are too good, too sophisticated and too expensive for many developing markets. The result: oversupply of expensive products and lack of supply of what consumers both want and can afford.

At the macro level, efforts at economic stimulus make little dent in the oversupply of products for the upper income groups.

Globalization is a danger if pursued as an end in itself. It leads to excesses which will lead to new trade barriers in rich and poor countries alike.

Shareholders should remind multinationals that they are there to make profits, not build empires. Foreign direct investment is neutral, but bad investment is always worse than no investment.

International Herald Tribune

Did King Hussein of Jordan Put His House Out of Order?

By Fawaz A. Gerges

NEW YORK — On the face of it, the decision by King Hussein of Jordan to dismiss his brother, Crown Prince Hassan, as heir to the throne and replace him with the king's oldest son seems meant to put the royal house in order.

But the ouster of Prince Hassan, after 34 years of loyal service as the king's understudy and closest confidant, will have critical implications for the legitimacy of the Hashemite dynasty and its long-term stability of the Jordanian monarchy.

Jordanians were shocked by the rush of events: no sooner had their king returned home from the United States, where he was receiving cancer treatment, than he named his 36-year-old son Abdullah as crown prince. And no sooner was Prince Abdullah sworn in as regent than the king was rushed back to the Mayo Clinic in Minneapolis on Tuesday. Doctors said his cancer had returned.

The removal of Prince Hassan was controversial, but the manner in which it was carried out has created discord within the Hashemites' ranks.

The prince reportedly learned of his dismissal not from the king but from military officers who handed him a written edict.

The king could have avoided this needless humiliation by forcing Prince Hassan to sign an oath naming Prince Abdullah as his successor.

Even critics of Prince Hassan fear that the king's action could erode the Hashemites' internal cohesion and their social base. Prince Hassan is respected by business leaders for fighting corruption and for supporting privatization and government reform.

Prince Hassan also has followers among the middle class and intellectuals, though two

important constituencies — the army and the East Bank tribes — strongly support the king.

Meanwhile, the opposition, which includes Islamist activists and some Jordanian nationalists, may feel emboldened in its demands — for an end to normalized relations with Israel, for resistance to American policy toward Iraq and for political reform.

For a generation, King Hussein and Prince Hassan have both been fixtures of Jordanian politics and have lent it stability. Prince Hassan ran the country competently in the king's absence, especially during the time the king spent in the United States getting cancer treatment in 1991 and 1998.

But Prince Hassan's heavy-handed involvement in policy-making antagonized some prime ministers he dealt with, and military and security of-

ficers also reportedly expressed reservations. Last week, King Hussein told CNN that Prince Hassan was "too involved" in the running of government when he should have stayed "in the background."

But the king's decision to dismiss his brother may have had another source. It is widely believed that King Hussein wanted the line of succession to revert to his sons with his current wife, the American-born Queen Noor. She was apparently determined to have Prince Hassan removed and replaced by her eldest son, Prince Hamzah, who is only 18.

She will have to settle for his being next in line to succeed Prince Abdullah, the son of the king's second wife.

The current controversy could leave Jordan without a strong leader for now. Prince Abdullah lacks Prince Hassan's broad experience in foreign and economic relations.

Prince Abdullah might overcome this if he received training from the king. But with the king struggling anew against cancer, this may not be possible.

This raises the question of how Prince Abdullah will deal with the growing sentiment in Jordan against Israel and whether he can tackle Jordan's economic difficulties.

Prince Hassan had followed King Hussein's policies, though he favors moving more slowly toward an accommodation with Israel.

In any case, Jordan cannot afford a fratricidal struggle that could give some of its neighbors a pretext for intervening in its domestic affairs. If that happens, more than just the royal family will pay the price.

The writer, professor of Middle East studies at Sarah Lawrence College in New York, contributed this comment to The New York Times.

In the President's Case, Deviancy Should Be Redefined Upward

By A.M. Rosenthal

NEW YORK — On just one condition, journalists and lesser Americans have every right to deride the way the Senate is conducting the trial of President Bill Clinton. If they do not, they should.

The senators wear their non-partisan clothes, walk, talk and probably sleep in them. But when it comes to voting and maneuvering they strip right down to their partisan buff.

The senators cannot stand the strain of their trial regulation forbidding all of them to speak freely inside the chamber. So they run outside during the day to line up for TV time; right away they feel better.

The senators are supposed to use any ponder power they possess and however long it takes to come to a decision on whether the president should stay or go. But most act as if their real job is to rid themselves of the whole thing right away and return to more important matters, unspecified.

They keep waving their hands, hoping the teacher, or anybody, will let out school. And they pass up the critical witness on impeaching a witness, the president's secretary, Betty Currie. She is a nice woman, and

understandably nervous. Do you expect them to take the chance of her breaking into tears?

All Democrats and many Republicans decided long in advance of the trial that although they thought Mr. Clinton terribly naughty, his lying and obstructing justice are not grounds serious enough to be convicted.

Senator Daniel Patrick Moynihan, Democrat of New York, one of my very favorite politicians, goes along with them. In 1993 he warned America against "defining deviancy down" — acceptance of actions we once regarded as acutely offensive, immoral or illegal.

Deviancy time, right enough

but that has not happened. Remember who got us here, who forced the trial, who put the country brain-deep in his own muck.

Forgetting that is like forgetting that Judge Lance Ito did not kill O.J. Simpson's wife. Mr. Clinton gambled the moral, political and historic reputation of the presidency — showing what he thought of the office and himself.

He lied. He lied in private and in public, with or without oath. He lied to friends, enemies, subordinates. He proved what Senator Bob Kerrey, Democrat of Nebraska, once said about him: "Clinton is an unusually good liar, unusually good."

If perjury aggravated by reputation is not enough, examine damage to government. He captured and tied up the entire White House in his lies. He lied directly to some of his government employees, used others as shields, and kept some theoretically ignorant so they could say sorry, we cannot inform the public.

Impeachment is a political and moral matter, as well as legal. Nobody I know, except senators, even pretends "non-partisanship" about the trial results.

I voted for Mr. Clinton twice — first with great hope, the second time because near Election Day I thought he might be better equipped than Bob Dole. I was wrong, trapped in the remnants of old hopes about Bill Clinton.

A guilty verdict would repair the presidency and country. The

others would for at least two years retain the political and economic continuity so many want. Al Gore, the man Mr. Clinton picked, would be in the White House.

Republican leaders, in terror of the public, say there is no chance of a two-thirds majority for a guilty verdict, so let's quit trying and get out of here. That is nullification of law by jury, openly and during the trial.

Censure: The constitution makes no place for any decision on impeachment but guilty or not guilty.

But, atoning for my second Clinton vote by laying down my status as a constitutional expert, temporarily, I sacrifice opinion to censure if the move to convict fails.

Censure must be plain and tough enough to leave a reminding bite mark through history.

In The Washington Times of Jan. 15, Jim Guirard Jr., a Washington attorney, offers a suggestion.

The motion of censure, payable by simple majority, would consist of the impeachment articles already approved by the House of Representatives, but deleting reference to trial by verdict.

The president would not have to agree or sign — a demand that would guarantee insipidity. But both Houses would support and preserve the validity of the perjury and obstruction of justice charges.

There would be no punishment but history's. And deviancy would be defined upward.

The New York Times.

With a Little Help From His Enemies

By E. J. Dionne Jr.

WASHINGTON — It has been a year since the president's scandalous relationship with Monica Lewinsky became public. It is now worth asking: How do the predictions made in the heat of the original revelations look now, and what can we learn about the future of this case from where they went awry?

Before dismissing the commentary's instant prophecy of dire consequences for President Bill Clinton, consider: The man has been impeached by the House and is on trial in the Senate. The pundits got that part right.

What went wrong was the expectation that Mr. Clinton would be forced from office by a strong public opinion against him. Why? Mr. Clinton's critics will say: He stonewalled for seven months. True. But there was no guarantee that once the stone wall broke in August, Mr. Clinton would be any better off than he had been in January. He was. What changed between January and August?

The public attitude toward Mr. Clinton's affair did not change. Most Americans still think his behavior was tawdry, sordid and, it is fair to say, stupid.

But in those seven months, two strong public sentiments came to the fore. First, it is now clear that most Americans do not want to know much about the sexual lives of public officials. Contrary to the view that Americans have "gone French" in adopting a let-the-good-times-roll attitude toward politicians, they have, more or less, always been like this, certainly from Grover Cleveland's time to ours.

Separating the personal from the political is not a lib-

erty idea. If anything, it is a traditionalist's impulse. In the traditional view, the private life is sacrosanct, and it is better for society if the highly personal moral failings of highly public people are kept under wraps. That is why the "what do we tell the children" argument cuts not only against Mr. Clinton but also against his opponents.

Now Mr. Clinton's critics, despite the affecting speech of former Senator Dale Bumpers of Arkansas to the contrary, make a fair point when they say this is not about sex (or, more properly, not just about sex). The issues of perjury and obstruction of justice are real, even if you conclude that the House managers did not prove their case on either of them. But how did Mr. Clinton's private behavior cross into the realm of criminal law?

Here a second sentiment kicked in. When Hillary Rodham Clinton proclaimed her husband the victim of "a vast right-wing conspiracy," her choice of words seemed over the top. But she put into circulation an idea that came to correspond to the public's view: that Mr. Clinton's enemies had conspired to get the issue of his sexual failings wrapped into a legal case.

Consider these words: "As it turns out, some of the most serious damage to Bill Clinton's presidency came not from his high-profile political enemies but from a small secret clique of lawyers in their 30s who share a deep animosity toward the president."

Mrs. Clinton did not invent that "secret clique." Don Van Natta Jr. and Jill Abramson

wrote those words in last Sunday's issue of The New York Times, reporting on how a group of young politically committed (and obviously skilled) lawyers spent five years working on the Paula Jones lawsuit and "then helped push the case into the criminal arena and into the office of the independent counsel, Kenneth Starr."

None of this excuses Mr. Clinton's wrongs. But the public's logic in this case is seamless: If most people do not want a president judged by his sexual life, and if they come to believe they have been forced to do so primarily by the actions of his enemies, they will turn even more harshly against them than against him.

That is why a majority has decided that this case is at bottom about neither sex nor perjury nor obstruction but politics. It is why Democrats have found it easy to hold firm behind Mr. Clinton. And it is why Trent Lott, the Senate majority leader — having made relatively modest concessions to House managers on the issue of calling witnesses — will try to shut the trial down as fast as he is able.

A year ago, it seemed that Mr. Clinton's critics might win the argument. He surely gave them the ammunition. Mr. Clinton came back not because he was so ingenious, and certainly not because he was guileless. His enemies threw away a rather powerful case because they were too public and too unrelenting in their willingness to use every available weapon to get rid of him. The public did not like that, and still does not.

The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Cup of Death

PARIS — Our wide-awake contemporary, the Daily Messenger, produces an alarming indictment of the cup of tea — "that cheers but not inebriates" — though this last statement seems to be very wide of the mark for the article in question is headed "Tea Drunkards," and it seems England is full of people who habitually "drink a great deal more than is good for them." What does that mean if not that they are often "half seas over." It looks as though the man who drinks a cup of tea might just well order his coffin.

1924: Fashion Week

PARIS — With each opening of the Paris dressmakers, the outline becomes less vague. The rumors of the past week become facts, and those women who have a fairly good wardrobe of

frocks with long draped skirts and normal waistlines begin to feel that luck is against them. For there is no doubt about it, that frocks have a strong tendency to forget entirely the waist-line. They utterly disregard the fact that all women are not eighteen and that a good belt has often covered a multitude of sins, so far as figures are concerned.

1949: Stalin Agrees

LONDON — Premier Josef V. Stalin said that he had "no objection" to a conference with President Truman toward ending the cold war. Premier Stalin said that Russians would lift the Berlin blockade provided that the Western powers postpone creation of a separate west German state pending a decision by the Big-Four Foreign Ministers on the German question as a whole. 2 — The Western powers simultaneously lift their blockade against eastern Germany.

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PAGE 9

Gore Opens the Fight on Farm Tariffs

In Davos, He Outlines U.S. Plan for 'Broad and Deep' Cuts in Trade Talks

By Alan Friedman
and Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — Vice President Al Gore brought the U.S. trade agenda to Europe on Friday, announcing plans for the United States to kick off the next round of global trade talks with a call for "broad and deep" cuts in farm tariffs that he said were barriers to international trade.

Speaking in Davos to a gathering of political and business leaders from around the world, Mr. Gore said, "The United States will call for broad and deep reductions in agricultural tariffs — which now average a steep 40 percent."

He said it would also call "for the outright elimination of agricultural export subsidies, which are found in no other sector."

In signaling the tough stance Washington will take in talks scheduled to intensify this year, Mr. Gore challenged the European Union, which spends nearly half of its \$100 billion annual budget on farm subsidies. The subsidies, he said, "cost the average European family about \$1,500 a year."

The issue of farm subsidies is among the most politically sensitive in Europe, and Sir Leon Brittan, the EU trade commissioner, has repeatedly found his attempts to bring the issue into negotiations stymied by internal opposition, especially from France.

Mr. Gore stressed that his call for freer farm trade came just a week after President Bill Clinton backed

Malaysia's currency controls will be eased, Prime Minister Mahatir promises. Page 13.

moves for a new and broader round of global negotiations to expand trade in services, manufacturing and farm products. "I am especially hopeful that these trade talks will raise living standards for the world's farmers and ranchers," he said.

Mr. Gore also announced that Mr. Clinton would propose "significant" new funding for the world's poorest and most highly indebted countries next week.

The vice president said that poor countries should not be forgotten, even as the world's top financial officials, at the annual meeting of the World Eco-

nomist Forum, seek ways to reform the global financial system following recent economic crises.

Mr. Gore's initiative on Third World debt won the immediate backing of Gordon Brown, chancellor of the Exchequer.

The Briton said he hoped the move could be rapidly approved by Group of Seven nations, whose finance ministers convene Feb. 20.

The new German government also signaled its support for the debt plan. The previous government was lukewarm to the idea.

"We must never lose sight of the poorest nations," Mr. Gore said in discussing the U.S. initiative.

"I hope this can be the year when international financial institutions are able to fully do their part — including carrying through on a long-discussed proposal, the mobilization of a small portion of the IMF's gold reserves."

For three years the international financial community has been discussing, inconclusively, the idea of selling some of the International Monetary Fund's gold stock in order to finance aid for the world's poorest countries.



Vice President Al Gore, meeting with, above, Prime Minister Yevgeni Primakov of Russia and, at left, Klaus Schwab, founder of the Economic Forum.

How to Avoid a Crash: Mend the Road or the Drivers

By Louis Uchitelle
New York Times Service

DAVOS, Switzerland — A striking metaphor is helping to frame the debate over the global financial crisis.

Some of the movers and shakers gathered here for the World Economic Forum say the debacle, which started in Asia and spread to other developing areas, brings to mind a slick stretch of highway, scene of a half-dozen recent auto accidents.

Is it careless driving or the highway that is to blame?

Substitute freewheeling worldwide capital flows and unrestricted lending for the slippery, fast-moving highway. Make South Korea, Thailand, Indonesia, Russia and Brazil stand-ins for the drivers and their cars. The accidents are the panics and recessions — the crashes — that have devastated each of these countries.

And the question now so widely debated is simple

enough: Are the countries or the unrestricted capital flows, or both, mostly to blame?

After the first accidents, the countries came in for almost all the blame.

"It was because of money, capitalism, bad banking and overleveraged real estate investments, many experts said. Fix the sloppy financial practices and make enough bailout money available when a country gets into trouble — basically the current strategy of the International Monetary Fund for Brazil — and the accidents will be avoided or, at worst, will be mere fender benders."

But spectacular wrecks have occurred with alarming frequency and severity in the last 18 months, even in Brazil, and some who had mostly blamed the countries have begun to argue, here and in earlier interviews, that the highway itself — the global financial system and the lenders that are its foundation — needs serious fixing, too.

The Clinton administration had placed most of the blame on the countries, and still does.

But its view, like that of the IMF, is starting to reflect a more nuanced appraisal.

"We have seen that countries need to pursue sounder policies and avoid lurching for short-term capital as Mexico and Thailand did," said Lawrence Summers, the deputy U.S. Treasury secretary. But in an interview, he also called for "more prudence on the part of the lenders."

To be sure, the United States still disagrees sharply with its partners in the Group of Seven industrial nations over the need — and the extent — of any overhaul of international financial regulations, with European and Japanese officials pushing much harder for change.

But in the U.S. administration's most direct acknowledgment so far that it is not always committed to unrestricted capital flows, Mr. Summers said: "Where countries have controls that restrict short-term lending, we have not in general sought to

See BLAME, Page 13

End of Line for London Shop a Cut Above the Rest

Tom Buerkle
International Herald Tribune

LONDON — The store is elegant if a bit tired in places, with its cherry shelves and relatively uncluttered floors offering a relaxed shopping atmosphere. The clothes are finely tailored and tastefully conservative, the look of time-honored quality. And the staff is well-informed and attentive, but never pushy.

Simpson Piccadilly, in short, is every bit the traditional clothing store for English ladies and gentlemen. But like so many things in this country, the style seems out of place in a Britain that aspires to modernity more than anything else. And so Simpson is closing its doors for good on Saturday after 63 years of business, a short life by British standards but not less of an institution for that.

"An erosion of business had been going on for some time," said Jeremy Franks, chief executive of DAKS

Simpson Group, the store's owner. "Perhaps we were rather like the British empire."

That analogy is echoed by Jeremy Lloyd, a comedy writer who worked as a junior assistant at Simpson in the early 1950s and turned his observations into the television comedy "Are You Being Served?" The 1970s show is enjoying a renaissance in Britain and around the world. "It represented a time in England that doesn't really exist anymore," Mr. Lloyd said of the store. "The assistants were terribly polite, and there was a pecking order, like there was in life."

Many of the sales staff were retired army officers, and the assistants were ranked first, second, third, fourth and juniors — the latter getting the customers who did not look like they would be

spending much, Mr. Lloyd said.

But Simpson today is a victim of changes in retailing as well as in society at large.

The 60,000 square-foot, seven-story building is too

Simpson Piccadilly, the traditional clothing store for English ladies and gentlemen, is closing its doors for good on Saturday after 63 years of business.

small to be a department store and too large to be a specialty store, Mr. Franks said. Many customers today are lured by the flashy designer boutiques of nearby Bond Street or the broad range of London department stores such as Harvey Nichols or Harrod's, he said.

So in keeping with the times, the company decided

last year to focus its efforts on its DAKS brand. It is closing the store and dropping the Simpson label, effectively eliminating the name of the London tailor who founded the business in the 1890s, and opening adjacent DAKS boutiques for men and women on Jermyn Street.

In a reflection of the latest fad in retailing, the Simpson building — a landmark steel-framed structure situated a stone's throw from Piccadilly Circus — will be turned into the world's largest bookshop, the flagship outlet of the local Waterstone's chain.

But beyond retailing, there was a clear sense among Simpson staff that their vaunted service and dedication was no longer valued in an era of suburban malls, catalogues and Internet shopping. It was the loss of that personal touch that staff

members and longtime customers were regretting Friday.

"I think retail standards are dropping elsewhere," said John Bayliss, the store's general manager, who promised to maintain high standards at the DAKS boutiques.

He stopped to shake hands with and say hello to a longtime customer who came to the store to say good-bye to the staff.

"A lot of people are making a pilgrimage," Mr. Bayliss confided.

Stopping among the rapidly dwindling merchandise, many people expressed sadness at the demise of a London landmark.

"I think it's awful," said Adrian Halliwell, a lawyer from Cambridge who looked in vain for a bargain among the thinning sale racks.

"It's another of our institutions, like the monarchy," he said. "We tear them down."

"I bought my first suit here," Yvonne Hubble told a small gathering of reminiscing shoppers.

It was New Year's Eve 1948, and she was going out on her first date that night with a new boyfriend to see the musical "Oklahoma."

The suit apparently worked. "I married him," she said.

Mrs. Hubble has been a faithful Simpson shopper over the years, and her niece worked there as a graphic designer. But the sight of the bare shelves and the few remaining sale racks of clothing left her wistful.

"It's the end of an era. It's sad really," she said.

Still, she was determined to get a memento. "I'm going to buy something today, whatever, for me and my niece."

Sizzling U.S. Economy Tops Experts' Forecasts

It Grew at 5.6% Annual Rate in Last Quarter

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy grew at a breakneck 5.6 percent annual rate during the final three months of 1998, ending a year that saw U.S. prosperity undiminished in an economically troubled world.

The gross domestic product, the total output of goods and services, grew at a faster-than-expected 5.6 percent annual rate, capping a year in which the economy expanded 3.9 percent, the Commerce Department said Friday.

That followed an identical increase in 1997 and a healthy 3.4 percent rise in 1996, making the three-year period the economy's most robust run of growth since 1984-86.

All this was accomplished with negligible inflation. A price index tied to the GDP rose 1 percent last year. There has not been a rate that low since 1959, also 1 percent, and it has not been lower since 1950, when it was 0.9 percent.

"The fourth quarter was a blowout quarter in what was a blowout year for the U.S. economy," said Allen Sinai of Primark Decision Economics in Boston.

"The driving forces were the consumer, business capital spending and residential construction," he said. "That's the result of the tremendous increase in purchasing power that came from lower inflation and lower energy costs and low interest rates."

The fourth-quarter rate, the highest quarterly rate in two and a half years, surprised economists, but then they have been surprised all year. They have been predicting — and continue to predict — that U.S. economic growth would slow markedly as a result of the spillover of the slump in Asia, Russia and Latin America onto manufacturing, agriculture and energy.

Analysts expected a fourth-quarter 4.5 percent gain following a 3.7 percent gain in the third quarter.

Now, with economic momentum so strong at the end of the year, analysts say a slowdown will not show up before the April-June quarter.

"Growth is going gangbusters," said Suzanne Rizzo, chief U.S. economist at Maria Fiorini Ramirez Inc. in New York. "There's no obvious reason for growth to slow down, and I doubt it can continue at this pace without the Fed stepping in."

The Federal Reserve Board cut interest rates three times in the second half of 1998, giving the stock market a lift and stimulating the economy.

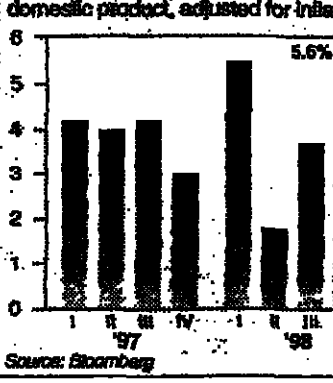
Consumer spending led the way in the fourth quarter, rising at a 4.4 percent rate. It rose 4.8 percent for the year, the largest annual gain in 14 years.

In December, the current period of economic growth that started in April 1991 became the longest peacetime expansion on record, passing the 92-month Reagan-era expansion.

The only longer expansion, between 1961 and 1969, coincided with the buildup for the Vietnam War, according to the National Bureau of Economic Research Inc., which has collected data back to 1854.

A Strong 4th Quarter

Percentage change in U.S. gross domestic product, adjusted for inflation



The 4.8 percent increase in consumer spending last year was the most in 14 years. Housing construction surged 10.4 percent, also the most in 14 years.

But, to maintain the frenzied pace, consumers reduced their savings rate — savings as a percentage of after-tax income — from 2.1 percent in 1997 to 0.5 percent in 1998, the lowest since 1933.

That is not quite as dire as it seems. It reflects the fact that consumers are spending a fraction of their stock market gains and, those who refinanced mortgages at the lowest rates in three decades, a portion of their home equity.

Business investment in new equipment jumped 16.7 percent, the most in six years, offsetting a 0.7 percent decline in construction of commercial buildings. Equipment purchases were driven by computer sales, which rose 62 percent.

Adjusted for inflation, GDP totaled \$7,670 trillion in the fourth quarter. That compares with \$7,567 trillion in the third quarter. Before adjusting for inflation, GDP totaled \$8,673 trillion in the fourth quarter, when measured at an annual rate, compared with \$8,538 trillion in the third quarter.

Despite the national growth last year, manufacturing deteriorated in the Midwest in January, with a slowdown in production and new orders forcing an increase in inventories.

The National Association of Purchasing Management-Chicago said its monthly index of regional manufacturing declined to 47.1 this month from 51.1 in December. An index above 50 means "the number of manufacturers who said business improved was greater than the number of those saying it deteriorated."

The decline "just indicates the pressures on the manufacturing sector coming from falling commodity prices and a slowdown in export growth, which is slowing down for foreign economies that are hitting the wall," Brian Westbury, chief economist for Griffin Kubik Stephens & Thompson Inc. in Chicago.

Though the index measures activity in the Chicago area, in the past it has foreshadowed the National Association of Purchasing Management's factory index, due Monday, which measures conditions nationwide (AP, Bloomberg)

CURRENCY RATES

Cross Rates		Jan. 29		Other Dollar Values		Jan. 29	
London (£)	1.6428	2.2317	191.03	2.4818	10.7594	46.447	12.82
New York (\$)	1.6446	1.415	116.42	1.511	6.5425	202.22	7.0122
Tokyo	116.35	191.38	82.35	78.69	17.84	N.D.	15.00
Toronto	1.511	2.4871	1.0678	1.2979	0.2308	0.5354	0.1936
Zurich	1.4196	2.3342	1.2224	0.9388	21.672	0.5025	0.182
One euro	1.1384	0.491	1.4123	132.10	1.726	7.4359	220.98
One SDR	1.3998	0.8436	1.9599	161.49	2.1244	9.0584	391.18
* Interbank rates excluding commissions.							
** To buy one pound: To buy one dollar: *Per 100 N.D.: not quoted; N.A.: not available.							
SDR: Special Drawing Rights of the IMF.							
Source: Reuters, Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF (Washington); Other data from Reuters.							
Euro Values							
* Fixed rates of the EMU member countries for one euro							
Australian dollar	13.7603						
Belgian franc	40.3399						
British pound	1.6363						
French franc	6.5595						
German mark	1.9363						
Italian lira	1,936.27						
Japanese yen	163.60						
Spanish peseta	166.386						

Jan. 29		Jan. 29	
Argentine peso	0.9995	Hong Kong dollar	7.7535
Australian dollar	1.3738	Indian rupee	42.495
Belgian franc	1.3445	Indonesian rupiah	8225
British pound	0.6271	Israeli sheqel	4.1061
Canadian dollar	0.6271	Japanese yen	163.60
Chinese yuan	8.2778	Korean won	193.60
Czech koruna	20.00	Latvian lats	193.60
Danish krone	6.46	Malaysian ringgit	3.7599
Deutsche mark	1.9363	Mexican peso	16.14
Dracma	200.482	Norwegian kroner	4.75
Euro	1.0000	Polish zloty	4.0000
French franc	6.5595	Romanian leu	20.482
German mark	1.9363	Russian ruble	22.77
Italian lira	1,936.27	Slovak koruna	33.36
Japanese yen	163.60	Slovenian tolar	200.482
Spanish peseta	166.386	Swedish krona	4.75
Swiss franc	1.4036	Taiwan dollar	35.46
U.S. dollar	1.0000	Thai baht	54.8
U.S. dollar	1.0000	Turkish lira	33.36
U.S. dollar	1.0000	Ukrainian hryvnia	25.00
U.S. dollar	1.0000	Venezuelan bolivar	200.482

AIRPORT AUTHORITY

Janitorial Service for the Northwest Concourse Hong Kong International Airport

The Airport Authority is responsible for the management and operation of Hong Kong International Airport at Chek Lap Kok. Hong Kong has the world's fifth busiest international airport, the new Hong Kong International Airport has the capacity to cater for 35 million passenger in its first year of operation with an on-airport work force of around 45,000 employees.

The Authority is looking for a private sector organisation to undertake the provision of janitorial service for the Northwest Concourse of the Passenger Terminal Building scheduled to open in mid 1999. The contract term will be either three or four and a half year, it is estimated that a total of 44,300m² of floor area, and related wall finishes, roofing, fixtures, fittings and equipment, will require to be serviced.

The Authority is looking for a substantial janitorial service organisation to undertake this contract. Parties interested in this opportunity can register with the Authority, in writing, for an Expression of Interest Document. This document asks a series of questions, responses to which must be received by 1 p.m. on 26 February 1999. Late returns will not be considered. Responses will be evaluated in order to draw up a short list of potential contractors. To receive a copy of the Expression of Interest Document, please contact:

Miss Nerissa Chow
Manager - Contracted Service
Airport Management Division
Airport Authority
Hong Kong International Airport
Lantau
Hong Kong
Tel No.: (852) 2183 3203
Fax No.: (852) 2802 8012

All cost associated with any submission in response to this notice shall be entirely the responsibility of the organisation(s) concerned. The Authority reserves the right to reject any application at its discretion and without explanation.

THE AMERICAS

Brazilian Real Dives as World Bank Refuses Aid to 2 States

Compiled by Our Staff From Dispatches

SAO PAULO — The Brazilian currency tumbled Friday to its lowest level since the Jan. 13 devaluation after the World Bank refused further aid to two states and the government was forced to deny rumors that it was planning to close banks Monday.

Investors, concerned that rising interest rates will make it impossible for the government to repay its \$20 billion real (\$166.67 billion) of domestic debt, drove the real lower, with the dollar hitting a high of 2.105 reals in Sao Paulo trading. In New York, the dollar rose to 1.9430 reals from 1.9200 reals Thursday.

The real has fallen more than 40 percent since it was devalued Jan. 13.

"Only the return of Brazil's credit-

ability can put an end to the rise of the dollar" against the real, said Pedro Tomassini of Lloyd's Bank. "Brazil's image is so bad that foreign banks are not even renewing lines of credit for foreign trade."

But stocks rose sharply, with the benchmark Bovespa index 544.08 points, or 6.81 percent, higher in midday trading, at 8,531.21.

President Fernando Henrique Cardoso and the central bank chief, Francisco Lopes, reiterated that Brazil planned to pay its domestic and foreign obligations, countering speculation that the country's banking system was running short of dollars.

Finance Minister Pedro Malan also ruled out imposing price controls to stifle inflation.

"We won't have a weekend package, bank holiday, fireworks

measures," Mr. Malan said. "There won't be restructuring of the domestic and foreign debt."

Capital flight of more than \$8.3 billion this month has hampered the real. Outflows Thursday totaled \$215 million as companies scrambled to repay foreign debts and expiring currency contracts. The government's reserves have fallen to about \$26 billion from more than \$70 billion last August.

The central bank raised interbank interest rates to 37 percent from 35.5 percent in an attempt to stem capital outflows.

In a clear bid to support the beleaguered federal government, the World Bank held up \$209 million in development loans for a series of projects in the states of Minas Gerais and Rio Grande do Sul, in-

cluding programs to improve education, reduce pollution and combat poverty.

The governor of Minas Gerais, former President Itamar Franco, triggered the Brazilian crisis by suspending payments on \$13.5 billion of debt to the federal government for 90 days. Olívio Dutra, governor of Rio Grande do Sul from the opposition Workers Party, is paying his state's debt into an escrow account.

The World Bank said the money for projects in both states would be withheld for 60 days, and would be reviewed if the states restored their payments on their debt to the federal government.

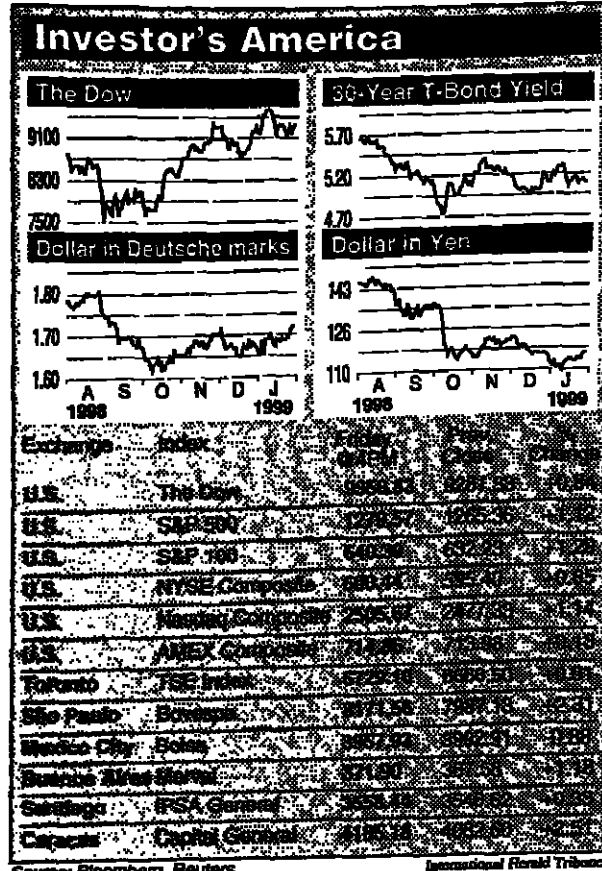
Unemployment reached its highest level in at least 16 years last year, the government-run Brazilian

Institute for Geography and Statistics reported.

The jobless rate was 7.6 percent in 1998, up from 5.7 percent the year before, said Shyrlene Ramos de Souza, an institute consultant, and was likely to escalate amid the economic crisis unleashed this month. The rate, which covers Brazil's six largest metropolitan areas, is the highest since the institute began monitoring joblessness in 1983.

Independent economists routinely criticize the institute's methodology, saying it underestimates unemployment. A study by the labor union funded Diesse/Seade foundation put unemployment in the greater Sao Paulo region at 18.8 percent for 1998, the highest rate recorded by the group since 1985.

(NYT, Bloomberg, AP, AFP)



Very briefly:

- Medtronic Inc. plans to close five manufacturing sites and to relocate 1,500 jobs now that the pacemaker manufacturer has completed its purchase of the angioplasty products company Arterial Vascular Engineering Inc.
- LucasVarity PLC is closing a Cincinnati brake plant that has about 230 workers. The British car-parts maker announced the closure a day after agreeing to be bought by TRW Inc.
- Canada's gross domestic product expanded 0.4 percent in November on stronger manufacturing and retail activity.
- Kellogg Co.'s fourth-quarter profit before charges fell 41 percent, to \$93.1 million, as the cereal giant spent more on marketing to stem sales lost to lower-priced brands. Sales fell to \$1.6 billion from \$1.62 billion a year earlier.
- LTV Corp. posted a loss of \$14 million for the fourth quarter as a wave of imports weakened prices and took away orders from U.S. steel mills. It earned \$39 million in the like quarter a year earlier. Sales fell 14 percent to \$989 million.
- Tommy Hilfinger Corp.'s third-quarter net profit rose 50 percent, to \$57.8 million, on strong sales of jeans and women's clothing and less discounting during the holiday shopping season.
- Barney's Inc. emerged from over two years of bankruptcy protection after the upscale retailer received \$62.5 million in equity from its former creditors.
- General Motors Corp. will build a \$250 million transmission factory in the Baltimore area by 2001, partly to employ 470 workers from an underused assembly plant in the city.
- Anthem Inc. expanded its presence in the Northeast by paying \$120 million for Blue Cross & Blue Shield of New Hampshire, turning the nonprofit insurer into a mutual company. The deal must be approved by state regulators.
- Genamerica Corp., one of the first mutual life insurers to sell shares to the public under a hybrid structure two years ago, is dividing its equity among policyholders to become a company owned completely by stockholders. The company said the move would allow it to raise more capital. (NYT, AP, Bloomberg)

Dollar Rises to Record Against Sinking Euro

Bloomberg News

NEW YORK — The dollar rose to a record against the euro for the second day in a row Friday as a report showed a booming U.S. economy in the fourth quarter of 1998 while traders are scaling back their expectations for growth in Europe.

"People are getting more bullish on the dollar," said Jeff Berger, director of foreign exchange and commodities at AlliedSignal Inc.

"Forecasts were for a stronger Europe and a slower U.S., and that's just not happening."

In late trading, the euro fell to \$1.1365, its lowest level since the launch of the single European currency Jan. 4, from \$1.1416 on Thursday.

The dollar inched up to 116.42 yen from 116.35 yen as Japanese exporters took advantage of the U.S. currency's 2 percent rise this year to convert their dollar profits into yen, traders said.

U.S. gross domestic product rose at an annual 5.6 percent rate in the fourth quarter, the Commerce Department said, the fastest quarterly growth in more than two years. In Germany, the Kiel Institute for World Economics, one of the country's top think-tanks, has reduced its forecast for German growth this year to 2 percent from its previous 2.3 percent estimate.

The economic differentials be-

tween the U.S. and the euro zone favor the dollar big-time," said Kathleen Stephansen of Donaldson, Lufkin & Jenrette. Ms. Stephansen added, "The U.S. is still an environment that does not call for lower rates, whereas in Europe the motive is there for a rate cut."

Even with the strong U.S. growth, inflation remained in check. The GDP price deflator, a measure of price increases followed by many investors, rose at a 0.8 percent pace in the fourth quarter, the smallest quarterly increase since 1959.

The combination of strong growth and low inflation is likely to lead Fed policymakers meeting next week to leave benchmark interest rates unchanged at 4.75 percent.

But the European Central Bank is expected to cut borrowing rates in coming months in an effort to sustain growth.

Policymakers meet on Thursday to set the benchmark refinancing rate, which currently stands at 3.0 percent.

In Japan, the deputy finance minister, Eisuke Sakakibara, said Tokyo would "intervene when the yen strays into an area of excessive strength," without specifying what this level would be. "An excessively strong yen is not desirable," he told the annual meeting of the World Economic Forum in Switzerland.

The dollar rose to 1.4150 Swiss francs from 1.4117 francs, while the pound fell to \$1.6460 to \$1.6493.

Merger Lifts JDS and Uniphase

Compiled by Our Staff From Dispatches

TORONTO — JDS Fibre Inc. and Uniphase Corp. shares hit record Friday after the two technology companies announced they were merging in a \$6.1 billion deal that will create one of the world's largest fiber optics components makers.

In late trading, Uniphase, based in San Jose, California, gained \$8.5 to \$89.125, while JDS climbed 5 Canadian dollars (\$3.29) to 65 dollars.

Uniphase makes lasers that amplify signals on fiber-optic networks and JDS makes the filters and other gear that helps boost network capacity. The companies plan to combine the parts to sell phone-equipment customers like Lucent Technologies Inc. the simplified line of products they are demanding.

Further, Uniphase and JDS, which had begun to compete with each other, now will tower over their nearest competitor, E-Tek Dynamics Inc.

Uniphase's chief executive, Kevin Kalkhoven, said there was "little or no overlap" in the products offered by the two companies.

Based on second-quarter results, the two would have combined annual sales of \$510 million. (Bloomberg, Reuters)

Computer Retailers Push Nasdaq to a New High

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rose Friday as investors focused on a report showing continued strength in the economy, with technology stocks lifting the Nasdaq composite index over 2,500 points for the first time.

The technology-heavy Nasdaq index finished at a record 2,506.22 points, up 28.88, led by retailers of personal computers.

Dell Computer rose 5 1/16 to 100 1/4 after a personal-computer industry report showed the retailer growing much faster than its rivals.

International Data Corp. reported that Dell's shipments rose 56 percent in the fourth quarter, giving it 8.4 percent of the world market.

"Their growth is still very robust," said Duane Eatherly, portfolio manager at Banc One Investment Advisors Corp.

Oracle gained 1 1/16 to 55 1/4 after the No. 1 database software maker said Hewlett-Packard Co. will make and distribute the first server appliances, bypassing Microsoft's Windows operating system. Hewlett-Packard will be the first to partner with Oracle on this product, code-named Raw Iron.

Amgen, the world's biggest biotechnology company, rose 7 1/16 to 128 after reporting earnings of 90 cents a share, as sales of its blockbuster anemia drug Eprex soared.

"If you take out technology and biotechnology, the market is doing nothing," said Barry Hymowitz, managing director at King Nussbaum & Co. "Banks go up one day and down the next. Investors are focused on the Internet and the Nasdaq. Clients don't even refer to the Dow anymore. They ask me about the Nasdaq first. I've never heard that before."

Investors cheered the 5.6 percent rate of gross domestic product growth in the fourth quarter, which suggests that corporate profits will continue to grow. Manufacturing stocks generally shrugged off a report by the Purchasing Management Association of Chicago that showed slower manufacturing growth in the Midwest manufacturing in January.

The Dow Jones industrial average rose 77.50 points to 9,358.83, with advancing issues leading declines by a 17-to-13 ratio on the New York Stock Exchange.

The broader Standard & Poor's 500-stock index gained 14.27 points at 1,279.64.

The strong economic growth came with very low inflation, cheering the bond market. The benchmark 30-year Treasury bond rose 9/32 to 102 15/32, reducing its yield to 5.09 percent from 5.10 percent.

"We're seeing a pattern here," said John Boritzke of M&I Investment Management Corp. "That pattern is one of low inflation. That's what I'm focusing on."

(AP, Bloomberg)

U. S. STOCK MARKET DIARY

Friday, Jan. 29									
Indexes					Most Active				
Dow Jones					NYSE				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
9358.83	9358.83	9358.83	9358.83	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
1279.64	1279.64	1279.64	1279.64	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
Standard & Pools									
Futures					Total				
Industrials	High	Low	Last	Chg.	Industrials	High	Low	Last	Chg.
1538.32	1538.32	1538.32	1538.32	0.00	1538.32	1538.32	1538.32	1538.32	0.00
651.88	651.88	651.88	651.88	0.00	651.88	651.88	651.88	651.88	0.00
240.53	240.53	240.53	240.53	0.00	240.53	240.53	240.53	240.53	0.00
129.97	129.97	129.97	129.97	0.00	129.97	129.97	129.97	129.97	0.00
1264.48	1264.48	1264.48	1264.48	0.00	1264.48	1264.48	1264.48	1264.48	0.00
632.98	632.98	632.98	632.98	0.00	632.98	632.98	632.98	632.98	0.00
NYSE					Nasdaq				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
93.18	93.18	93.18	93.18	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
1279.64	1279.64	1279.64	1279.64	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
Nasdaq					AMEX				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
2506.22	2506.22	2506.22	2506.22	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
1279.64	1279.64	1279.64	1279.64	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
AMEX					Dow Jones Bond				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
100.00	100.00	100.00	100.00	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
1279.64	1279.64	1279.64	1279.64	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
Trading Activity					Market Sales				
NYSE					Nasdaq				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
1279.64	1279.64	1279.64	1279.64	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
2506.22	2506.22	2506.22	2506.22	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
AMEX					Market Sales				
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
100.00	100.00	100.00	100.00	0.00	1,279,640	1279.64	1279.64	1279.64	0.00
1279.64	1279.64	1279.64	1279.64	0.00	2,506.22	2506.22	2506.22	2506.22	0.00
100.00	100.00	100.00	100.00	0.00					
Dividends					REVERSE STOCK SPLIT				
Company	Per An	Rac	Pay	Chg.	Company	Per An	Rac	Pay	Chg.
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
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Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
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Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00
Unilever	1.00	1.00	1.00	0.00	Unilever	1.00	1.00	1.00	0.00

EUROPE

GERMANY:
Warning Strikes

Continued from Page 1

Wachs & Co. in Frankfurt. "What concerns the ECB is that higher unemployment will add political pressure on the ECB to lower rates," said Eckhardt. "It is definitely an argument for the ECB to stay on hold," said Eckhardt. The analyst in Frankfurt at the Industrial Bank of Japan. "The wage round in Germany has a very high significance for the ECB."

Other unions have begun to mimic IG Metall's combative tone. On Friday, the moderate head of the union's vast public-sector union, Herbert Mai, complained that private-sector incomes have grown twice as fast as public-sector wages in the past six years.

"Public services must no longer remain decoupled from the general trends in incomes," said Mr. Mai, who is seeking a 5.5 percent wage increase for the nation's 3.2 million public-sector and transportation workers.

After 16 years under a conservative government, German unions this year seem determined to flex their muscles under the three-month-old leftist administration of Chancellor Gerhard Schröder, hoping for a friendlier bargaining climate.

Under the motto "No More Modesty," IG Metall this year refused to accept another year of low wage increases in the name of national industrial competitiveness.

It accused Gesamtmetall of a "provocation" in offering a 2 percent wage increase, with an added 0.5 percent bonus for companies that can afford to pay more.

IG Metall, which insists on centralized control of national wages, balked at efforts to add flexible



A demonstrator Friday at a DaimlerChrysler plant blowing a whistle labeled "We've Had Enough."

bounces to contracts that by tradition apply equal wages and benefits nationwide.

Above all, IG Metall's stance is a test for the union itself. It lost its most moderate and modernizing leader, the deputy president, Walter Riester, who became Mr. Schröder's labor minister.

Replacing Mr. Riester is Juergen Peters, a hard-liner and traditionalist whose combative stance seems aimed at establishing his authority.

Union militancy also threatens to undermine economic policy in Bonn. Mr. Schröder wants to con-

vene a round table of government, industry and unions to thrash out a consensus approach to fight the nation's chronic unemployment. But industry could lose its appetite to give ground on wages. The "Alliance for Jobs" talks, as they are known, already began with a salvage backslash from industry over the new leftist government's policies.

The IG Metall negotiations resume Wednesday in Stuttgart. The union already has plans in place for a full-blown strike. Mr. Peters has set

a Feb. 11 deadline for employers to make a new and more "serious" offer. If no progress has been made by then, the union will call a strike vote by Feb. 17.

Companies in Eastern Germany threatened the union's united front on contract negotiations. The employers' federation in the state of Saxony announced Friday that local companies can ignore the contract if they choose.

Industries and unions in Saxony have often rebelled against West German regulations, saying it hampers their industry.

VOLVO:
The Squeeze Is On

Continued from Page 1

luxury cars in Europe. BMW AG and Porsche AG, meanwhile, have continued to be successful as smaller producers of more expensive sedans and sports cars. BMW has been the subject of repeated takeover rumors, but the company has adamantly denied any interest in selling.

But most of Europe's other producers are struggling to bridge the gap between mass and class. Thanks to global overcapacity and a reluctance by European consumers to spend, competition has been brutal for the last several years among producers of midsize or small cars.

Unlike most of its European peers, Volkswagen is already big enough to compete in today's environment. It produces more than 4 million cars a year and has about \$11 billion in cash to make additional acquisitions.

The situation is considerably grimmer for French and Italian car companies. Though Fiat has a significant international presence, it has far less cash than Volkswagen or Ford and has been under increasing competitive pressure.

Renault of France had a strong year in 1998, thanks to the success of its new Scenic minivan in Europe. But it still produces fewer than 2 million cars a year, and Peugeot is only slightly bigger. Analysts say both French automakers are in a poor position to keep up with the accelerated pace of developing new models at low prices. The heightened competition means that all companies are under pressure to spread research and development costs over a much wider array of cars.

While companies like BMW and Porsche can avoid the problem to some extent because they charge premium prices, mass-market producers like Renault and Peugeot have no such maneuvering room.

The French companies face political as well as financial challenges. The French government has traditionally blocked attempts by foreign companies to acquire major French corporations.

Fiat Operating Profit Drops
Fiat reported Friday that fourth-quarter profit from operations fell 95 percent, to 39 billion lire (\$2.9 million), on lower sales in Italy and Brazil, its top two markets.

Nokia's Profit Advances 72% as Phone Sales Jump

Bloomberg News

HELSINKI — Nokia Oy, the world's largest cellular phone company, said Friday that fourth-quarter profit rose a greater-than-expected 72 percent, fueled by sales of its phones and networks.

The Finnish company's profit rose to 3.474 billion markkaa (\$666 million) from 2.018 billion markkaa

a year earlier. Analysts expected net of 3.2 billion markkaa. The company also said it would split each share into two.

Total net sales in 1998 increased to 79.2 billion markkaa from 52.6 billion markkaa the previous year.

Nokia, which last year passed Motorola Inc. as the leading cellular phone maker in the world, is profit-

ing from a line of new, sleek handsets and from investing in its networks division, which sells equipment for transmitting calls between mobile phones.

In comparison, Sweden's Ericsson AB said Thursday that profit fell 3 percent as prices for its older range of phones slumped. "The company looks enormously strong

compared with Ericsson," said Harald Poussette, a trader at Nordiska Fondkommission.

Nokia shares rose 1 euro to 128.50 euros (\$146.69). Nokia said its board would seek permission to issue 120 million new shares, worth 1.2 billion euros, sparking expectations that the company will speed up the pace of acquisitions.

WORLD STOCK MARKETS

Friday, Jan. 29
Prices in local currencies
in euros for ERM countries.
Tel Aviv

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1200	1190	1195	1195

High	Low	Close	Prev.
1200	1190	1195	1195
1200	1190	1195	1195
1200	1190	1195	1195

High	Low	Close	Prev.
1200	1190	1195	1195
1200	1190	1195	1195
1200	1190	1195	1195

High	Low	Close	Prev.
1200	1190	1195	1195
1200	1190	1195	1195
1200	1190	1195	1195

High	Low	Close	Prev.
1200	1190	1195	1195
1200	1190	1195	1195
1200	1190	1195	1195

High	Low	Close	Prev.
1200	1190	1195	1195
1200	1190	1195	1195
1200	1190	1195	1195

High

The 2,300 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

Page	Doc	Date	Page	Doc	Date
1	100-100000	10-10-10	100	100-100000	10-10-10
2	100-100000	10-10-10	101	100-100000	10-10-10
3	100-100000	10-10-10	102	100-100000	10-10-10
4	100-100000	10-10-10	103	100-100000	10-10-10
5	100-100000	10-10-10	104	100-100000	10-10-10
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9	100-100000	10-10-10	108	100-100000	10-10-10
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11	100-100000	10-10-10	110	100-100000	10-10-10
12	100-100000	10-10-10	111	100-100000	10-10-10
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99	100-100000	10-10-10	198	100-100000	10-10-10
100	100-100000	10-10-10	199	100-100000	10-10-10
101	100-100000	10-10-10	200	100-100000	10-10-10

Continued on Page 14

Unbeatable Rate Japan Slips on Record

Mon and Nikko

Asia's Current

Q: Is it better to fix

U.S. Differs

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

[illegible][illegible][illegible][illegible][illegible]

Line	Unit	Part	Material	Quantity	Unit Price	Total
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4	1	1	1	1	1	1
5	1	1	1	1	1	1
6	1	1	1	1	1	1
7	1	1	1	1	1	1
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69	1	1	1	1	1	1
70	1	1	1	1	1	1
71	1	1	1	1	1	1

Friday's 4 P.M. Close
The 150 most traded stocks of the day
up to the closing on Wall Street.
The Associated Press.

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Page	Line	Label	Copy	Book	Page
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3
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71	71	71	71	71	71
72	72	72	72	72	72
73	73	73	73	73	73
74	74	74	74	74	74
75	75	75	75	75	75

[illegible]

Friday's 4 P.M. Close
(Continued)

[illegible][illegible][illegible]

12 Month	High	Low	Stock	Div Yld	P/E	100% High	Low/Latest
194	100	100	100	100	100	100	100
195	100	100	100	100	100	100	100
196	100	100	100	100	100	100	100
197	100	100	100	100	100	100	100
198	100	100	100	100	100	100	100
199	100	100	100	100	100	100	100
200	100	100	100	100	100	100	100
201	100	100	100	100	100	100	100
202	100	100	100	100	100	100	100
203	100	100	100	100	100	100	100
204	100	100	100	100	100	100	100
205	100	100	100	100	100	100	100
206	100	100	100	100	100	100	100
207	100	100	100	100	100	100	100
208	100	100	100	100	100	100	100
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249	100	100	100	100	100	100	100
250	100	100	100	100	100	100	100
251	100	100	100	100	100	100	100
2							

Page	Date	Day	Vol	Page	High	Low	Lat
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4	1900	Jan	1	4	4	4	4
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6	1900	Jan	1	6	6	6	6
7	1900	Jan	1	7	7	7	7
8	1900	Jan	1	8	8	8	8
9	1900	Jan	1	9	9	9	9
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25	1900	Jan	1	25	25	25	25
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27	1900	Jan	1	27	27	27	27
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98	1900	Jan	1	98	98	98	98
99	1900	Jan	1	99	99	99	99
100	1900	Jan	1	100	100	100	100

[illegible]

Investor's Dilemma

[illegible]

Fear of Falling? Relax, Global Deflation Might Be Good for You

By Aline Sullivan

MOST INVESTORS are conditioned to expect inflation. Indeed, all but the oldest among them have known virtually nothing else in their lifetimes.

Wages and prices have generally risen for almost six decades, albeit almost imperceptibly over the past few years. This environment, which favors investment over savings, has held sway for so long that some observers spoke of a new paradigm, an end to economic cycles of booming growth followed by recessionary busts.

To most people, therefore, it seems that cash lodged in a mattress will only decline in purchasing power as it is

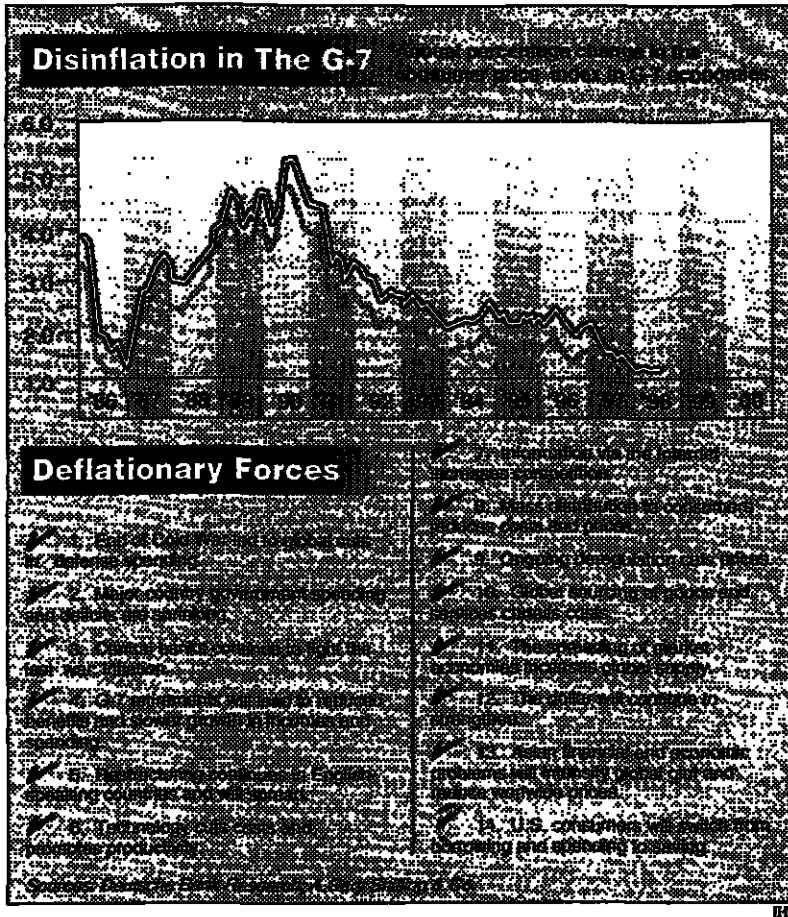
devalued by inflation while other assets, notably stocks and real estate, are likely to appreciate. Some economists suggest that today's investors would not recognize deflation—defined as a persistent decline in the overall level of prices—if it were staring it in the face.

Which may be exactly what they are doing.

"Deflation is no longer a risk; it's a clear and present danger," warned Edward Yardeni, the chief economist at Deutsche Bank in New York. "Inflation rates in the major industrial economies have dropped from mid-single-digits rates at the start of the decade to almost zero today. It won't take much to push us over the edge."

The economist and author A. Gary Shilling said the push had already been

made. "Excess supplies of almost everything are developing on a global basis, and rapidly," he said. "Joining traditional excess-supply industries like autos, semiconductors and steel are silver jewelry, cashmere, aluminum cans



Disinflation in The G-7

and blue jeans. There are too many offices, ships, airplanes, hotels and golf courses and more gold and diamonds than the markets can absorb."

It sounds ominous. But for companies and investors able to adapt, it need not be.

Deflation's last major appearance—

in the 1930s—gave it a bad name. No one wants to repeat that experience, when a sudden plunge in incomes and demand produced the Great Depression.

That was so-called bad deflation at its worst, characterized by simultaneous bear markets in stocks, real estate and commodities.

While fear of a repeat performance spooked the markets just a few months ago, it has all but vanished. Any deflation that occurs, the more sanguine market observers say, will be similar to that of the late 1800s, when technological progress accommodated persistent economic growth and falling prices.

"Industrial output has grown in every zero-inflation/deflation period in the U.S., U.K., France and Germany since 1850 with only one exception—the 1930s Depression," said Ben Funnell, a strategist at Morgan Stanley Dean Witter Co. "The current situation doesn't resemble the 1930s very much, particularly in terms of the radically different policy responses witnessed now and then."

Bad deflation has resurfaced in Asia, where it appears to be tightening its grip on much of the region. But its other hallmark—widespread unemployment—is being held at bay.

The United States and parts of Western Europe appear to be experiencing only good deflation. The situation can indeed be seen as comparable to that of the Industrial Revolution in the 19th century. Then, technological advances in manufacturing, transportation and power reduced the prices of goods such as textiles to levels that made them widely affordable, and spurred the creation of new products and services, such as rail transport.

Of course, then, as now, such widespread changes had negative effects on those unable to adapt to change, especially the uneducated and those without significant savings, although over time, overall living standards can probably be said to have risen.

Some industries have been thriving on good deflation for years. High tech is the most obvious example. Price declines, caused by rapid productivity advances and intense competition, are the

norm for computers. But manufacturers are more than compensated for falling prices by constantly rising demand, as consumers and businesses add computers and rapidly upgrade those already installed to take advantage of the latest features.

Also fueling good deflation, at least in the United States, is globalization.

"With technology and capital now free to move around the globe in search of the most cost-effective locations, the West is exporting the Industrial Revolution to the developing countries and is importing the resulting low-cost output," Mr. Shilling said. "It looks like good deflation, not bad deflation, since the financial crisis will probably remain confined to Asia."

Alex Patalis, at Goldman, Sachs & Co. in New York, said that in America, "there exists both the political and the monetary will to tackle deflation head on."

"Ultimately, deflation is a monetary phenomena and can be dealt with as such," he added. "As long as the will

exists, there are ample means available to policy-makers to fight deflation."

The very tools used to fight deflation—low interest rates, reduced taxes and increased spending—may in turn boost equity prices.

"While the disease of deflation tends to push equity prices lower, the medicine that will be applied when and if needed will tend to push them up again," said John Manley, investment strategist at Salomon Smith Barney in New York.

Until then, deflation, either local or global, will force investors to think differently than they have been accustomed to doing since the Great Depression.

"Total returns on bonds and stocks will be negatively correlated in a non-inflationary world, as yields and stock prices will tend to fluctuate together in sync with the world business cycle," the Montreal-based International Bank Credit Analyst predicted in a recent report. "This is opposite to what investors have come to expect."

A Believer's View:
It Has Arrived, for
Better or Worse

A. Gary Shilling is perhaps best known as the deflation guru of Wall Street. He is also an avid beekeeper. Officially, he is the president of economic consultancy and investment strategy firm A. Gary Shilling & Co. in Short Hills, New Jersey, and is the author of several books, most recently "Deflation: Why it's coming, whether it's good or bad, and how it will affect your investments, business and personal affairs." He spoke recently with Aline Sullivan.



A. Gary Shilling: Deflation guru.

Q. You have been looking for deflation for a long time. Has it arrived?

A. It is already in commodities in spades; in fact, it is hard to find a commodity that is not declining in price. It is in wholesale prices almost everywhere. It is in retail prices in China, Sweden, Switzerland, and Japan.

It is even in U.S. retail prices, if you take the view, which I do, that the Consumer Price Index is inflated by at least one percentage point. So, yes, deflation has arrived.

Q. Do people realize this?

A. Not yet. But they will when corporate profits get hit really hard by the Asian contagion. That is when they will realize that the emperor has no clothes.

There will be a big sell-off in stocks, which will destroy the notion of so-called stock savings. Investors will feel as naked as jaybirds and start to think about all the good reasons they have to really save: the prospect of aging; houses that aren't appropriate

for anything more, Social Security that no one trusts and the increasing possibility of being laid off work.

Q. Shouldn't some of that have already happened?

A. Sure, I am scratching my head like a lot of guys. We have had a 16-year bull market and every time it has sold off it has turned out to be a great opportunity to buy. But it is a con game.

We will get a 40 to 50 percent sell-off but it is not going to happen all at once, because people will keep on piling back into the market. It is going to happen in a downward sawtooth pattern until people are ground into submission.

For further information:
DEFINITION: WHY IT'S COMING, whether it's good or bad, and how it will affect your investments, business, and personal affairs. By A. Gary Shilling. (S16) Interview Publishing Company, 1998.

One Investor's Delight May Be Another's Nightmare

For Stock-Market Players,
All Deflation Is Not Equal

By Conrad de Aenlle

AFTER THE prospect of deflation sent stock markets around the world into a panic last summer, economists, analysts and investors have become connoisseurs of that rare economic condition. They have identified several varieties, each with different consequences for the stock market; the consensus is that if global deflation is around the corner, it will be a much less virulent strain than those that caused devastation in the past.

Deflation of the sort that occurred in the Great Depression of the 1930s is considered the worst possible economic backdrop for the stock market because of its ability to deepen growth and consumer demand, demolish corporate earnings of sound companies and put unsound ones out of business.

Anxious to avoid the mistakes of their predecessors, who raised interest rates just as the economy was about to head down a steep slope in the 1930s, central banks in the industrialized world undertook a vigorous round of rate cuts last fall.

Reducing interest rates helps counteract deflationary pressures on stocks in several ways. Investors allocate assets between stocks and bonds based on assumptions about corporate earnings and interest rates.

While corporate earnings fall during deflation because companies are forced to reduce prices, the equation can be balanced if interest rates fall sufficiently to make returns on newly issued bonds seem unattractive relative to stocks.

After Alan Greenspan, chairman of the Federal Reserve Board, raised the issue of "irrational exuberance" in the stock market on Dec. 5, 1996, and again on Feb. 25, 1997, he probably instructed the central bank's staff to devise a valuation model to measure the extent of this overoptimism, according to Edward Yardeni, the chief economist at Deutsche Bank in New York.

Mr. Yardeni thinks he has found it in a footnote buried deeply in the Fed's semi-annual report to Congress of July 22, 1997, which indicates that the ratio of stock prices to earnings for the companies in the Standard & Poor's 500 index is inversely related to the yield on the 10-year U.S. Treasury bond. In other words, as 10-year interest rates fall, the price-earnings ratio on stocks traditionally rises. The lower rates fall, the higher stock P/E ratios can climb and still make sense to investors.

Besides this mathematical support for the stock market, declining interest rates also can be helpful to the companies hardest hit by falling prices in a deflationary economy, said Stephen Bell, an economist at Deutsche Morgan Grenfell. A struggling company that does not generate enough cash from operations to cover interest payments on its debt when rates are, say, 10 percent may be able to squeeze by if rates fall to 7 percent, he said.

Perhaps the biggest boost from declining rates is to market confidence. The latest round of cuts has fostered a belief in the ability of central bankers to avert deflation and provided further liquidity to fuel booming stock prices.

But David Tice, manager of the Prudent Bear Fund, a mutual fund that bets on falling stock prices by selling short, warns that investors' faith may be misplaced.

"There is this complacency that the Fed is going to be able to cut rates and save things—just print money," he said. "We think that is very naive."

It has worked so far, at least in the world's biggest economy. In the United States, Mr. Bell of Deutsche Morgan Grenfell noted, monetary policy has been particularly effective; lending is vigorous and the money supply is booming.

"There is no reason why deflation should not be consistent with economic prosperity," he said. "No one has a problem with deflation unless it wrecks

For Bondholders, Down
May Not Be Up After All

By Barbara Wall

ON THE FACE of it, deflation is good for bondholders. As prices for goods and services fall, the fixed payments investors typically receive every six months grow increasingly valuable.

But there is a catch. If deflation turns ugly, the way it did in the Depression, then borrowers begin to have trouble meeting their interest payments. Those burdened by debts they cannot pay must renegotiate with their lenders, and if they cannot, they default.

Of course, if the borrower is a national government, it can choose to print money to pay off its debts, as long as they are denominated in its own currency.

For this reason, countries with significant debts relative to their foreign-exchange reserves and trade surpluses often find they cannot borrow in their own currencies, at least not from overseas investors.

The notable exception to that rule has been the United States, whose Treasury bonds are considered the safest of safe havens in times of trouble.

During the financial panic in August, investors flocked to U.S. Treasuries, especially the so-called on-the-run issues with round-number maturities, such as 10 and 30 years. This had the effect of reducing yields on those bonds, while raising the returns on riskier paper, especially that issued by emerging-market countries or low-rated corporate borrowers.

In general, bonds issued by the governments of the major industrial countries in the Organization for Economic Cooperation and Development are offering yields well below what is required from less highly rated borrowers.

If you believe that governments and central banks will successfully counteract global deflation, containing it so that the weaker borrowers do not default, then there is money to be made by exploiting the risk premium required on low-rated issues, especially if interest rates continue to decline, reducing already paltry yields on bonds.

"The likelihood is that interest rates in the OECD countries will move down further and growth rates will slow without actually grinding to a halt," said Tom Sowmanich, chief fixed-income strategist for Merrill Lynch & Co. in New York. "There is still a great deal of volatility in the bond markets because of economic turmoil in Latin America, but a lot has been done by the central banks to ward against fallout from some of the larger, less-stable emerging economies."

"In this environment," he added, "the need to own liquidity in the form of quality government bonds is no longer as relevant a need as it was a few months ago. I expect to see more investors moving down the credit spectrum for the yield pick-up, but they will probably stop short of investing in emerging-market debt."

MR. SOWMANICH said yields on U.S. junk bonds—those rated below investment-grade—were up to 5 percentage points higher than on Treasury bonds of comparable maturities.

"U.S. high-yield credits look cheap, compared to six months ago, with spreads of around 500 basis points over U.S. Treasuries, compared to 350 basis points last July," Mr. Sowmanich said.

But is chasing the highest yields necessarily a good strategy?

"Low-investment-grade corporate debt and junk bonds is where the value is to be found," said Leslie Nanberg, chief fixed-income officer for the Boston-based fund manager Massachusetts Financial Services.

"The market has clearly priced in the risk and the quality of issues has improved significantly in recent months. The incremental yield on these credits is so

Amid Price Plunges, What
Lies Ahead for Commodities?

By Judith Rehak

YOUR MORNING cup of coffee and the spoonful of sugar you add to it are likely to be cheaper soon, courtesy of Brazil and its currency devaluation two weeks ago. If you are a car owner, your gasoline at the pump may be a bargain compared to a year ago.

Welcome to deflation, which is delighting consumers with the lowest prices in years, and devastating commodity producers—and their unlucky shareholders. Prices of everything from oil and gas to copper, gold and timber have been drifting steadily downward for more than a year now. Last Wednesday, the BridgeCommodities Research Bureau Index, a widely followed indicator of commodity prices, slumped to a 21-year low of 187.60.

Commodity experts are unanimous in blaming two major factors for the dismal performance: Asia's economic crisis, which slashed demand for commodities, coupled with producers who continued to crank out far more supply than needed, creating a glut and sending prices into a downward spiral.

After so much bad news, can investors in commodities-related stocks expect better times in the new year?

Analysts are pinning their hopes on two crucial factors: improved discipline among producers, which will shrink surpluses, and a relative easing of Asia's financial problems, which should resuscitate demand and get prices moving up again.

To be sure, the sharply lower prices of commodity-related stocks make them a bargain-hunter's dream—provided that the scenario plays out as hoped.

But the most high-profile commodity excess of the past year, in crude oil, may now be shrinking. The nearest month contract for a barrel of crude on the New York Mercantile Exchange plunged a stunning 32 percent last year, ending at \$12.05, compared with \$17.64 a year earlier. But last week, a barrel went for around \$12.40, and some analysts think the situation is improving, although they remain cautious.

"The first half of this year will still be sloppy," warned the oil analyst James Clark of Credit Suisse First Boston, who expects more downward earnings revisions for oil producers.

On the positive side, the falling prices have forced companies to scale back exploration activities.

"They aren't spending on anything, and they're cutting costs," Mr. Clark said.

On the assumption that some global economic recovery will kick in later this year, the companies should be better positioned to take advantage of improved prices, he added.

OF THE FORMER spendthrifts that have now found discipline, Mr. Clark likes Conoco Inc., the sixth-largest U.S. oil producer, which plans to trim its workforce by 6 percent, saving an estimated \$60 million a year, and cut \$500 million from its exploration budget.

He also favors Unocal Corp., a high-cost producer that said in December that it would slash capital spending by 40 percent this year.

Both companies are trading near their 52-week lows, and Mr. Clark's risk-reward ratio is no more than 10 percent on the downside, and 20 percent to 30 percent on the upside.

At T. Rowe Price, the Baltimore fund managers, Charles Ober, manager of the \$990 million New Era fund, said he thinks prospects for domestic natural gas in the United States look good.

"They had too much gas in storage, but they're working down the surplus, and they're not adding to capacity," he said.

If the United States has normal winter weather—meaning

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SPORTS

Under Orders, Kafelnikov Reaches Final

MELBOURNE — Shortly before Yevgeni Kafelnikov left his wife Mascha and newborn daughter in Germany to head for the Southern Hemisphere, his wife said to him: "Don't go away for a month and only make the semifinals."

There are no guarantees in Grand Slam tournaments in this egalitarian, hyper-competitive era, but Kafelnikov has taken his wife's directive to heart at this Australian Open: he is in the final. He made it on Friday with a 6-3, 6-4, 5-7 victory over Tommy Haas of Germany, and he will face Thomas Enqvist of Sweden on Sunday.

Kafelnikov is seeded 10th; Enqvist is not seeded at all. Neither has the sort of high international profile that will put casual tennis fans in a tither. This is not Pete vs. Andre, or even Michael vs. Marcelo, but for anyone who has sat through their matches at Melbourne Park over the last two weeks, it is clear that Yevgeni and Thomas deserve to be the last men standing.

Both are approaching their 25th birthdays and are former members of the top six who struggled last year for different reasons: Enqvist because of a foot injury that required surgery, and Kafelnikov because of wounds that were largely self-inflicted.

A year ago, Kafelnikov missed this tournament after injuring his knee in a skiing accident (a year earlier, he missed it after breaking his hand hitting a punching bag). He then split with his longtime mentor, Anatoli Lepheshin, and spent seven months without a coach and briefly considered retirement before hiring Larry Stefanki. Surprisingly, Kafelnikov still decided to go skiing in

Australian Open/CHRISTOPHER CLARY

December, but this time he emerged unscathed.

"Kafelnikov is clearly one of the most talented players in the world," said Tom Gullikson, the American Davis Cup captain, recently. "With him, it's a matter of how his mind holds up. Over the last three years, he has played more tennis than anybody, playing almost every week with no regard to building for a Grand Slam type of event and peaking for the right moment."

To reach his first Grand Slam final, Enqvist had to ignore the ardent wishes of two very large crowds and beat the Australians Patrick Rafter and Mark Philippoussis on Centre Court.

Kafelnikov, the 1996 French Open champion, did not have quite as daunting a route, but he had to beat three players in Jonas Bjorkman, Jason Stoltenberg and Jim Courier in the early rounds, survive a five-set struggle with Andrei Pavel, a backhand-whipping Romanian, and beat Todd Martin, the towering American who had won his last two tournaments.

That was just to get to Haas, the unseeded German who moved to Nick Bollettieri's Tennis Academy in Florida, at the age of 12 and developed his game on the same courts as Andre Agassi. Courier, Monica Seles, Anna Kournikova and no shortage of others.

The son of a tennis coach, Haas has been driven to succeed from an early age, and he has long been a precociously strong presence on court.

What he has not yet learned is his right shot at the right time in a Grand Slam semifinal. Haas, only 20 years old,

showed sparks of great ability, often holding his own from the baseline with Kafelnikov, who relies on his ball early and has the quick hands and feet to do what he relishes successfully. But Haas would all too often go for a huge forehand or backhand from an off-balance position, and the sets gradually began to slip away.

"A couple of times, he was up break point, and I felt like he played against his nerves," Kafelnikov said. "He's playing the great shots at the wrong time, and the important thing is to play the right shots in the important time of the match. That's probably what he's missing at the moment, but I'm sure he will learn."

It has been a week for learning experiences in Melbourne. On Thursday, after being upset by Amelie Mauresmo, a French teenager, in the semifinals, Lindsay Davenport, the No. 1 woman, said that playing Mauresmo made her think she was "playing a guy." She also commented repeatedly on Mauresmo's broad shoulders, big muscles and uncommon strength.

None of Davenport's comments were made in an accusatory tone, but in a month when Peter Korda's positive test for the steroid pandemonium has often overshadowed what happens on court, such references to a female player are loaded ones.

On Friday, after Davenport and her partner, Natasha Zvereva, lost to Hingis and Kournikova in the women's doubles final, Davenport said she had never meant to imply that Mauresmo's physique was the product of performance-enhancing drugs.

"I wasn't doing that at all; that didn't come into my thoughts at all," she said.

"I mean, look at Serena," she said, in reference to the powerfully built Serena Williams. "It's never come up with her possibly using. Some girls can get built like that, and that wasn't my intention at all."

Davenport also said she regretted the way her comments were reported: her quotes about Mauresmo made the front page of the main Australian newspaper.

"Just a nightmare," she said. "If you look at what I said, it was directly meant to be about her tennis."

"The point I was making was, 'Basically, when I saw her play, it reminded me of a guy and how they play. That's honestly what I meant, and unfortunately it was taken the wrong way.'"

Davenport said she felt "terrible."

"The girl is trying to play her first final and unfortunately she is now in a cloud of controversy that I shouldn't have started by trying to say something innocently," she said.

Davenport said she would try to contact Mauresmo and express her regrets but was unsure if she would be able to reach her before she plays Hingis on Saturday.

"I hope she can still play well tomorrow," Davenport said.

Korda Wins Drugs Case

Korda won a court ruling against the International Tennis Federation Friday, The Associated Press reported from London.

A High Court judge ruled the ITF could not take Korda to the Court of Arbitration in attempt to overturn a lenient sentence imposed on Korda by the ITF's own independent appeal committee after his positive test for steroids at last year's Wimbledon.

Korda's attorney, Charles Flint, said the ITF had no right to appeal against the decision, which was "final and binding" on both sides.



Yevgeni Kafelnikov hitting a two-handed return to Tommy Haas during their semifinal match at the Australian Open on Friday.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE		WESTERN CONFERENCE	
Team	W-L-T	Team	W-L-T
Atlanta Thrashers	15-11-4	Colorado Avalanche	15-11-4
Buffalo Sabres	15-11-4	Dallas Stars	15-11-4
Carolina Hurricanes	15-11-4	Los Angeles Kings	15-11-4
Florida Panthers	15-11-4	Minnesota Wild	15-11-4
Montreal Canadiens	15-11-4	Nashville Predators	15-11-4
New York Islanders	15-11-4	San Jose Sharks	15-11-4
N.Y. Rangers	15-11-4	Vancouver Canucks	15-11-4
Philadelphia Flyers	15-11-4	Washington Capitals	15-11-4
Pittsburgh Penguins	15-11-4	Winnipeg Jets	15-11-4
St. Louis Blues	15-11-4		
Tampa Bay Lightning	15-11-4		
Washington Capitals	15-11-4		
Winnipeg Jets	15-11-4		

BASKETBALL

NBA PRESEASON

Team	W-L-T	Team	W-L-T
Atlanta Hawks	15-11-4	Los Angeles Lakers	15-11-4
Boston Celtics	15-11-4	Memphis Grizzlies	15-11-4
Brooklyn Nets	15-11-4	Minnesota Timberwolves	15-11-4
Charlotte Hornets	15-11-4	Orlando Magic	15-11-4
Chicago Bulls	15-11-4	Phoenix Suns	15-11-4
Cleveland Cavaliers	15-11-4	Portland Trail Blazers	15-11-4
Dallas Mavericks	15-11-4	San Antonio Spurs	15-11-4
Denver Nuggets	15-11-4	Seattle SuperSonics	15-11-4
Detroit Pistons	15-11-4	Utah Jazz	15-11-4
Golden State Warriors	15-11-4	Washington Wizards	15-11-4
Houston Rockets	15-11-4		
Indiana Pacers	15-11-4		
L.A. Clippers	15-11-4		
Los Angeles Lakers	15-11-4		
Memphis Grizzlies	15-11-4		
Minnesota Timberwolves	15-11-4		
Orlando Magic	15-11-4		
Phoenix Suns	15-11-4		
Portland Trail Blazers	15-11-4		
San Antonio Spurs	15-11-4		
Seattle SuperSonics	15-11-4		
Utah Jazz	15-11-4		
Washington Wizards	15-11-4		

CRICKET

INDIA VS. PAKISTAN

Team	W-L-T	Team	W-L-T
India	15-11-4	Pakistan	15-11-4
England	15-11-4	South Africa	15-11-4
West Indies	15-11-4	Sri Lanka	15-11-4
Zimbabwe	15-11-4		

THE WEEK AHEAD

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Los Angeles Rams	15-11-4		
Los Angeles Raiders	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
San Francisco 49ers	15-11-4		
Seattle Seahawks	15-11-4		
Tampa Bay Buccaneers	15-11-4		
Washington Redskins	15-11-4		

WEDNESDAY, FEB. 3

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Los Angeles Rams	15-11-4		
Los Angeles Raiders	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
San Francisco 49ers	15-11-4		
Seattle Seahawks	15-11-4		
Tampa Bay Buccaneers	15-11-4		
Washington Redskins	15-11-4		

After Changes, Canucks Lose

The Associated Press

Marc Crawford's debut as coach changed nothing for the Vancouver Canucks.

The Canucks lost 4-2 to the St. Louis Blues, Thursday night and have won just twice in their last 14 games. They were playing their first game since Crawford replaced Mike Keenan as coach. It was also the home debut for Dave Gagner and Ed Jovanovski, acquired in a deal that sent Pavel Bure to Florida.

Blues' D, Brian B. Martin Brodeur stopped 40 shots for his third shutout of the season as New Jersey won in Boston.

Producers 4, Sabres 2 Blair Atcheynum's goal midway through the third period gave Nashville victory in Buffalo.

Blues' D, Brian B. Martin Brodeur scored with 1:42 left in overtime as Carolina beat New York.

Figures 4, Coyotes 2 John LeClair scored his NHL-best 28th and 29th goals as Philadelphia played Phoenix.

Penguins 6, Maple Leafs 0 Jaromir Jagr had a shorthanded goal and three assists as Pittsburgh beat Toronto.

Avalanche 6, Mighty Ducks 2 In Denver, Colorado beat Anaheim stretching its winning streak to seven.

Blackhawks 6, Flames 6 Chicago overcame a two-goal, third-period deficit to tie in Calgary.

CRICKET

INDIA VS. PAKISTAN

Team	W-L-T	Team	W-L-T
India	15-11-4	Pakistan	15-11-4
England	15-11-4	South Africa	15-11-4
West Indies	15-11-4	Sri Lanka	15-11-4
Zimbabwe	15-11-4		

THE WEEK AHEAD

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Los Angeles Rams	15-11-4		
Los Angeles Raiders	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
San Francisco 49ers	15-11-4		
Seattle Seahawks	15-11-4		
Tampa Bay Buccaneers	15-11-4		
Washington Redskins	15-11-4		

WEDNESDAY, FEB. 3

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Los Angeles Rams	15-11-4		
Los Angeles Raiders	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
San Francisco 49ers	15-11-4		
Seattle Seahawks	15-11-4		
Tampa Bay Buccaneers	15-11-4		
Washington Redskins	15-11-4		

THURSDAY, FEB. 4

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Los Angeles Rams	15-11-4		
Los Angeles Raiders	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
San Francisco 49ers	15-11-4		
Seattle Seahawks	15-11-4		
Tampa Bay Buccaneers	15-11-4		
Washington Redskins	15-11-4		

FRIDAY, FEB. 5

AMERICAN FOOTBALL

Team	W-L-T	Team	W-L-T
Atlanta Falcons	15-11-4	San Francisco 49ers	15-11-4
Baltimore Ravens	15-11-4	Seattle Seahawks	15-11-4
Bengal Bengals	15-11-4	Tampa Bay Buccaneers	15-11-4
Buffalo Bills	15-11-4	Washington Redskins	15-11-4
Carolina Panthers	15-11-4		
Cincinnati Bengals	15-11-4		
Cleveland Browns	15-11-4		
Dallas Cowboys	15-11-4		
Denver Broncos	15-11-4		
Detroit Lions	15-11-4		
Green Bay Packers	15-11-4		
Houston Texans	15-11-4		
Indianapolis Colts	15-11-4		
Jacksonville Jaguars	15-11-4		
Kansas City Chiefs	15-11-4		
Las Vegas Raiders	15-11-4		
Los Angeles Chargers	15-11-4		
Los Angeles Rams	15-11-4		
Miami Dolphins	15-11-4		
Minnesota Vikings	15-11-4		
New England Patriots	15-11-4		
New York Giants	15-11-4		
New York Jets	15-11-4		
Oakland Raiders	15-11-4		
Pittsburgh Steelers	15-11-4		
San Diego Chargers	15-11-4		
St. Louis Rams	15-11-4		
Tennessee Titans	15-11-4		
Washington Redskins	15-11-4		
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DAVE BARRY

Violence and Fractures

MIAAMI — Since nobody else has been able to, I came up with a plan for dealing with Saddam Hussein.

As you know if you pay attention to foreign affairs, Saddam Hussein is the head honcho of Iraq, which may or may not be the same country as Iran. We hate Saddam because he's always going on TV and smirking and saying things about us. We're not sure what he says, because he deliberately speaks in a foreign language, but a classified Central Intelligence Agency analysis recently leaked to The New York Times said, "We think one of the words is 'wienersheads.'"

Every few months we, as a nation, just get FED UP with Saddam, and we fire a batch of high-tech, extremely accurate missiles ... supplied by concerned taxpayers for roughly \$1 million per missile ... at strategic buildings in Iraq. Then our leaders display aerial photographs showing that we have destroyed these buildings, vanquished them, really kicked their butts. This makes everybody feel better for 25 minutes, then we see Saddam on the tube AGAIN, wearing his stupid beret, until finally we just can't STAND it any more and we whack some MORE Iraqi buildings.

Perhaps you're wondering: "Why are we shooting buildings? Why don't we aim these extremely accurate missiles at Saddam? Or, better yet, why not take care of the problem by giving the million dollars, in unmarked bills, to an extremely accurate person with a name like Vincent (Vinny The Polyp) Sarcina?"

The answer is that, under federal law, we are not allowed to kill a foreign leader, even if he is really ticking us off. We can kill OTHER people who happen to be in the foreign leader's country, especially if they are inside the buildings we shoot. But legally we may not kill the actual foreign leader personally. This may not make a ton of sense, but it's federal law, and we must obey it, just as we must obey other federal laws that we do not understand. (Speaking of which, Kenneth Starr has obtained evidence strongly indicating that Bill Clinton and Monica Lewinsky DID, on Dec. 3, 1997, at approximately 4:42 P.M., remove the tag from a mattress; you will hear much more on this in the months and years to come.)

So this is the problem: We can't shoot Saddam, and it doesn't seem to bother him when we shoot his buildings. Is there a solution? Yes. It is a solution that requires us to unleash a force that, frankly, most of us would rather not even think about ... perhaps the most feared, the most evil force that the human race has ever foolish enough to create. That's right: plumbing.

I conceived of this plan after receiving a fascinating document from alert mechanical engineer Keith Ritter. The document was written by Julius Ballanco, president of JB Engineering and Code Consulting; it was published in the October 1998 issue of PM Engineering, and it is entitled "Violently Fracturing Water Closets," which I assume I do not need to tell you would be an excellent name for a rock band.

"Violently Fracturing Water Closets" begins with a chilling story: "An individual flushes a toilet in a high-rise building and is injured by flying shards of vitreous china."

Wouldn't The Flying Shards be an excellent name for a rock band?

No, seriously, the question it raised was: What caused the water closet to fracture violently? This question led to a series of experiments at (I am not making any of this up) the Stevens Institute of Technology in Hoboken, New Jersey, in which different amounts of pressurized air were introduced into a plumbing system. The result was several pages of extremely scientific-looking charts and graphs, plus a really cool time-sequence photograph of a toilet exploding.

Here is the question: We cannot legally kill a foreign leader, but does it state, anywhere in our body of federal law, that we cannot cause a foreign leader's commode to fracture violently while he is using it? To answer that question, I called the U.S. Supreme Court, but it was Sunday during the NFL playoffs and nobody answered. I view that as a ruling in my favor. If the Supreme Court had wanted to, it could easily have had a recording saying something like, "We are not in session today, but it is illegal to blow up Saddam Hussein's toilet."

So I say we get our top military and plumbing scientists together at the Stevens Institute of Technology and develop a high-tech computerized "smart" air-pressure delivery system targeting Saddam ... or, as he will come to be scornfully called behind his back, "Shard Butt." THAT would wipe the smirk off his face and cause him to come running to the bargaining table!

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War of Words Embarrasses Washington's Mayor

By Melinda Henneberger
New York Times Service

WASHINGTON — The forced resignation of an aide to Washington's new black mayor, Anthony Williams, has become an embarrassment to the fledgling mayoral administration. The aide, David Howard, who is white, resigned after his use of the word "niggardly" was construed as a racial slur.

Howard, recently appointed head of the Mayor's Office of the Public Advocate, used the word in a Jan. 15 budget discussion with two co-workers, saying, "I will have to be niggardly with this fund because it's not going to be a lot of money." Linguists say that word, which means "miserly," is derived from a Scandinavian word and has no racial overtones or link to the racial slur it sounds like.

But by the time Howard resigned this week, he was being inundated with calls from blacks in the District of Columbia who believed he had used the actual racial slur.

Now, the incident has captured national attention, divided some black leaders, incensed conservatives and outraged the gay community, where there is feeling that Williams should have given Howard, his first openly gay appointee, a minute to explain before sending him on his way.

On Thursday, Julian Bond, chairman of the National Association for the Advancement of Colored People, weighed in, saying it was Williams who had been "niggardly in his judgment on this issue."

"You hate to think you have to censor your language to meet other people's lack of understanding," he said. "This whole episode speaks loudly to where we are on issues of race. Both real and imagined slights are catapulted to the front burner."

When Howard, a 44-year-old former restaurant manager who ran Williams's volunteer office during the campaign, offered his resignation, the mayor immediately accepted. Williams said later, "I think it was appropriate that he resign." and he compared what Howard said to getting "caught smoking in a refinery that resulted in an explosion."

Now, some community leaders are arguing that anyone insensitive enough to use a word that could be so easily misconstrued should be out of a job.

"Do we really know where the Norwegians got the word?" asked Keith Waters, past president of the mostly black National



David Howard, an aide to Mayor Anthony Williams who was forced to resign.

Bar Association. "And how would another ethnic group react if you came close to the line with a phrase inappropriate to that group?"

Others are pleading for a little compassion. H. Patrick Swygert, president of Howard University, said he hoped people would realize that they needed to "at least count to three" before jumping to conclusions.

"Apparently, we're at a point in time that even an official who as far as I can see has no history of this kind of conduct still has no opportunity to put this in context," he said. "It would appear there was no intent to inflict pain. Should this be fatal for a budding public official? I don't think so."

Predictably, the issue was a hot one on conservative talk radio, where it inspired fresh outrage on the excesses of political correctness. "Some poor overeducated slob loses his job over a Swedish word and Bill Clinton keeps his job after perjury and obstruction of justice," conservative talk-show host Rush Limbaugh said on the radio Thursday. "Go figure."

Sol Steinmetz, a New York lexicographer and former editorial director of Random House reference division, said that for the

record, the word goes back to the 14th century Scandinavian "niggard," meaning miser, thus preceding by hundreds of years the circa 1700 Latin word "niger," or black, that the offensive term derives from.

"There's no connection between the two," Steinmetz said.

But in another recent dust-up over the same word, The Dallas Morning News last month ran an apologetic clarification after using the word in a restaurant review that accused a black chef of being "niggardly" with his use of spices.

"A chunk of our readers apparently did not know what the word meant and took it as a racial reference," said Stuart Wilk, the paper's managing editor. "It wasn't a good word to use. We're in the communication business and in 1999 that word does not communicate as well as some other equally good words."

As for Howard, he is so contrite that he sounds apologetic about even knowing the word. "I learned it for my SAT test as a junior in high school," he says, miserably.

He remains loyal to the mayor and is spending most of his time at home kicking himself, he says, saying he deserves to be out of a job over such an inelegant word choice.

"I used bad judgment in using the word niggardly. It's an arcane word that's unfamiliar to a lot of people and I can see how someone not familiar with the word could perceive it differently. You have to be able to see things from the other person's shoes and I did not do that."

He said that immediately after using the word, he saw the startled looks on the faces of both of his colleagues in the meeting, one white and one black. The white colleague, Jack Panning, seemed to accept his explanation, he said, while the other, Marshall Brown, stormed out and would not let him explain. (Neither could be reached for comment either at home or work, where the mayor's new redesigned ombudsman's office wasn't answering.)

But if he is not fighting for his job, others are.

In a letter to the mayor, 22 local gay activists furious on his behalf wrote, "The facts have to count. If we fail to distinguish between decent people and bigoted people, if we acquiesce in treating the former like the latter, then we sent a poisonous message to the people of this city, not to mention an illiterate message to our schoolchildren."

"David Howard is the one owed an apology," said Rick Rosendall, a prominent gay activist who signed the letter. "The mayor has been making incredibly lame statements defending the fact that he accepted his resignation without even looking into it first. The fact that he would cave in like this doesn't bode well for his leadership."

At a community meeting Thursday night, Williams walked away from a reporter who asked him about the matter. A spokeswoman, Peggy Armstrong, said only that "his position is that in this environment it may have been poor judgment for someone in his position to use that word, and based on that, he accepted his resignation."

Under pressure from the gay groups, Williams has said he will review the situation, to see if there was any wrongdoing by Howard, and may offer him a different city post if there was not. The review is to be completed quickly, by next Monday.

"It suggests some instability" on Williams's part, said City Council member Kevin Chavous. Chavous suggested that there must be more to the story, or Williams would surely not have accepted the resignation. But in any case, "I don't think the mayor's being decisive enough on this," he said. "Where does it end?"

PEOPLE

AT last giving Britain's photographers the picture they have been seeking for years, Prince Charles and Camilla Parker Bowles, his long-time lover, made their first public appearance together in a blitz of photo flashes and clicking cameras. The two had arrived separately at the Ritz Hotel in central London for the 50th birthday party of Parker Bowles's sister, Annabel Elliott, after days of speculation that this would be the night they went public as a couple. About 150 photographers, many of whom had staked out their positions the day before, waited eagerly across the road from the hotel steps. The couple emerged just before midnight Thursday, and walked down the steps of the Ritz to a bombardment of flashbulbs. Charles put his arm around Parker Bowles to steer her to a waiting car, a sign of familiarity that the press pack had prayed for.

Larry Fortensky, one of Elizabeth Taylor's former husbands, fell or jumped from his condominium balcony in San Juan Capistrano, California, and

remained hospitalized in critical condition, ABC television reported. Fortensky and Taylor were divorced in February 1996. The construction worker and the actress met while undergoing treatment for substance abuse at the Betty Ford Center in California.

A judge ordered Los Angeles Magazine to pay Dustin Hoffman a further \$1.5 million for running computer-generated photos of the actor in a dress and high heels. The decision brings the total damages over the incident to \$3 million. In a fashion spread, the magazine used without permission Hoffman's image from the film "Tootsie," in which he played an unemployed actor who gets a job disguised as a woman.

The Christina O, the yacht that once belonged to the late shipping magnate Aristotle Onassis, is to set sail again, but this time for seafarers who can afford a \$3 million cruise into the next millennium. The 100-meter (330-foot)

yacht, refurbished in Greek shipyards as a floating palace, will set off Dec. 15 for a monthlong cruise that will cost \$3.2 million dollars a head. Renamed after Onassis's daughter, who died in 1988, the yacht was the scene of the Greek billionaire's love affair with the opera star Maria Callas and of his honeymoon with Jackie Kennedy.

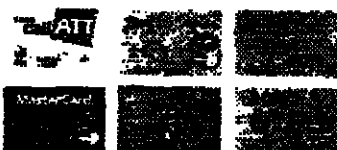
The family of the filmmaker Alan Pakula is offering a reward to anyone who can shed light on the freak highway accident that killed him. Pakula, who directed "All the President's Men" and "Sophie's Choice," died Nov. 19 when a steel pipe apparently fell off a truck and crashed through the windshield of his car. Pakula's family ran an ad in Newsday, based on Long Island, New York, offering an unspecified reward to anyone who can identify the driver of the truck. "It's not about money — it's about finding out what happened to the man we loved," said Bob Boorstin, Pakula's stepson, "and trying to make sure that this never happens to another family."

(go down in history)

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Israel	1-800-64-64-64
Italy	172-1011
Netherlands	0800-022-0111
Russia (Moscow)	735-0042
Small Islands	1-800-10
Spain	900-99-0011
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